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**State:** Arkansas **Filing Company:** State Farm Fire and Casualty Company  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations  
**Product Name:** HO-31255  
**Project Name/Number:** HO-31255/HO-31255

## Filing at a Glance

Company: State Farm Fire and Casualty Company  
Product Name: HO-31255  
State: Arkansas  
TOI: 04.0 Homeowners  
Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Filing Type: Rate/Rule  
Date Submitted: 09/15/2014  
SERFF Tr Num: SFMA-129720908  
SERFF Status: Closed-Filed  
State Tr Num:  
State Status:  
Co Tr Num: HO-31255  
  
Effective Date: 01/15/2015  
Requested (New):  
Effective Date: 03/01/2015  
Requested (Renewal):  
Author(s): Laura Culbertson, Julie Davis  
Reviewer(s): Becky Harrington (primary)  
Disposition Date: 10/01/2014  
Disposition Status: Filed  
Effective Date (New): 01/15/2015  
Effective Date (Renewal): 03/01/2015

State Filing Description:

**State:** Arkansas **Filing Company:** State Farm Fire and Casualty Company  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations  
**Product Name:** HO-31255  
**Project Name/Number:** HO-31255/HO-31255

## General Information

Project Name: HO-31255 Status of Filing in Domicile: Not Filed  
Project Number: HO-31255 Domicile Status Comments: N/A  
Reference Organization: N/A Reference Number: N/A  
Reference Title: N/A Advisory Org. Circular: N/A  
Filing Status Changed: 10/01/2014  
State Status Changed: Deemer Date:  
Created By: Laura Culbertson Submitted By: Laura Culbertson  
Corresponding Filing Tracking Number:

### Filing Description:

We respectfully submit a revision to our independent Homeowners Program, which results in a rate level increase of 3.0%. The details of and support for the change are outlined in the attached Filing Memorandum and supporting exhibits.

The rate level changes contained in this filing specifically consider the expected effect that any prior changes in policy language will have on our future underwriting experience. The changes detailed in this filing reflect our best efforts to recognize our actuarially suggested income needs and have premiums that are as competitive as possible.

We do not rely solely on rate activity to achieve our objective of continued financial solidity. We also concentrate on continued improvements in the way we service the business we write. These improvements range from internal expense controls to ongoing enhancements in the loss settlement process. We also invest and participate in many loss prevention and control activities. The attached Loss Mitigation Exhibit outlines some of these activities.

We see no positive or negative impact of our rates on the affected fire departments.

We submit this filing to be effective January 15, 2015 for new business and March 1, 2015 for renewals.

Sincerely,

Kathy Popejoy, F.C.A.S., MAAA  
Actuary and Assistant Secretary-Treasurer  
(309) 766-2325  
kathy.popejoy.a0gq@statefarm.com

## Company and Contact

### Filing Contact Information

Kathy Popejoy, kathy.popejoy.a0gq@statefarm.com  
One State Farm Plaza 309-766-2325 [Phone]  
Bloomington, IL 61710 309-766-0225 [FAX]

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**Filing Company Information**

State Farm Fire and Casualty Company	CoCode: 25143	State of Domicile: Illinois
1 State Farm Plaza	Group Code: 176	Company Type:
Bloomington, IL 61710	Group Name: State Farm	State ID Number:
(309) 766-6341 ext. [Phone]	Insurance Cos.	
	FEIN Number: 37-0533080	

**Filing Fees**

Fee Required?	Yes
Fee Amount:	\$100.00
Retaliatory?	No
Fee Explanation:	Rate & Rule Filing = \$100.00
Per Company:	No

Company	Amount	Date Processed	Transaction #
State Farm Fire and Casualty Company	\$100.00	09/15/2014	86309395

State:	Arkansas	Filing Company:	State Farm Fire and Casualty Company
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	HO-31255		
Project Name/Number:	HO-31255/HO-31255		

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	10/01/2014	10/01/2014

## Objection Letters and Response Letters

### Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	09/17/2014	09/17/2014

### Response Letters

Responded By	Created On	Date Submitted
Laura Culbertson	09/30/2014	09/30/2014

<b>State:</b>	Arkansas	<b>Filing Company:</b>	State Farm Fire and Casualty Company
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	HO-31255		
<b>Project Name/Number:</b>	HO-31255/HO-31255		

## Disposition

Disposition Date: 10/01/2014  
Effective Date (New): 01/15/2015  
Effective Date (Renewal): 03/01/2015  
Status: Filed

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
State Farm Fire and Casualty Company	5.600%	3.000%	\$4,989,479	164,460	\$167,766,425	24.200%	-13.500%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)		No
Supporting Document	H-1 Homeowners Abstract	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	Filing Memorandum & Exhibits	Filed	Yes
Supporting Document	Response to 9-17-2014 Objection	Filed	Yes
Rate	Manual Pages	Filed	Yes

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**TOI/Sub-TOI:** 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations  
**Product Name:** HO-31255  
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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	09/17/2014
Submitted Date	09/17/2014
Respond By Date	

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Dear Kathy Popejoy,

**Introduction:**

*This will acknowledge receipt of the captioned filing.*

**Objection 1**

*- Filing Memorandum & Exhibits (Supporting Document)*

*Comments: Please provide the loss experience used to analyze and determine subzone changes.*

**Objection 2**

*Comments: Please indicate the deductible amount required for new business.*

**Objection 3**

*Comments: Please provide the number of insureds receiving the 24.2% maximum increase.*

**Conclusion:**

*NOTICE regarding, corrections to filings and scrivener's Errors:*

*Arkansas does not allow the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."*

*In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.*

*Sincerely,*

*Becky Harrington*

State:	Arkansas	Filing Company:	State Farm Fire and Casualty Company
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	HO-31255		
Project Name/Number:	HO-31255/HO-31255		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	09/30/2014
Submitted Date	09/30/2014

Dear Becky Harrington,

### Introduction:

This is in response to your September 17, 2014 objection letter.

### Response 1

#### Comments:

Please see the Supporting Documentation entitled "Response To 9-17-2014 Objection".

### Related Objection 1

Applies To:

- Filing Memorandum & Exhibits (Supporting Document)

Comments: Please provide the loss experience used to analyze and determine subzone changes.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Response 2

#### Comments:

Please see the Supporting Documentation entitled "Response To 9-17-2014 Objection".

### Related Objection 2

Comments: Please indicate the deductible amount required for new business.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

State:	Arkansas	Filing Company:	State Farm Fire and Casualty Company
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	HO-31255		
Project Name/Number:	HO-31255/HO-31255		

No Rate/Rule Schedule items changed.

### Response 3

#### Comments:

Please see the Supporting Documentation entitled "Response To 9-17-2014 Objection".

### Related Objection 3

Comments: Please provide the number of insureds receiving the 24.2% maximum increase.

### Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to 9-17-2014 Objection
Comments:	
Attachment(s):	9-17-14 Inquiry Response.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Conclusion:

Sincerely,

Kathy Popejoy, F.C.A.S., MAAA

Sincerely,

Laura Culbertson



<b>State:</b>	Arkansas	<b>Filing Company:</b>	State Farm Fire and Casualty Company
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	HO-31255		
<b>Project Name/Number:</b>	HO-31255/HO-31255		

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	Prior Approval
<b>Rate Change Type:</b>	Increase
<b>Overall Percentage of Last Rate Revision:</b>	5.400%
<b>Effective Date of Last Rate Revision:</b>	01/15/2014
<b>Filing Method of Last Filing:</b>	Prior Approval

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
State Farm Fire and Casualty Company	5.600%	3.000%	\$4,989,479	164,460	\$167,766,425	24.200%	-13.500%

<b>State:</b>	Arkansas	<b>Filing Company:</b>	State Farm Fire and Casualty Company
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	HO-31255		
<b>Project Name/Number:</b>	HO-31255/HO-31255		

## Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 10/01/2014	Manual Pages	See Attached	Replacement		AR HO 2015-01-15.pdf

## SUMMARY OF REVISIONS

The following table summarizes the changes contained in this revision.

Item	Description
Zone Definitions	Revised.
Basic Premiums	Rates and factors revised.
Roof Surfaces- Impact Resistant	Added effective date for rigid roofs.
Basic Premium Adjustments	Revised adjustments.
Dwellings Under Construction	Dwelling Under Construction rule editorially revised.
Discounts, Charges, and Options	Revised optional coverages premiums.

Throughout this manual, ***bold italics*** font indicates information that is not displayed in the Agents manual.

## **RULES**

The rules, rates, and premiums in this manual govern the writing of all Homeowners policies. The rules and rates filed by or on behalf of the Company for each coverage shall govern in all cases not specifically provided for in these rules.

## **CANCELLATION**

When a policy is cancelled, the annual premium that applies to the policy period multiplied by the pro rata factor is returned to the insured.

Calculate the pro rata factor as follows:

- A. Compute the number of days left in the annual term until the policy expires (for example, 122 days).
- B. Divide the number of days by 365 (days in a year) and round to 3 decimal places. This produces the pro rata factor. A few examples may help:

Number of Days	Divided By	Pro Rata Factor
360	365	0.986
240	365	0.658
122	365	0.334
73	365	0.200
34	365	0.093

**CONSTRUCTION CLASSIFICATIONS****A. Frame**

A dwelling with exterior walls of combustible construction (including walls with metal, stucco, or metal lath and plaster on combustible supports) is classified as frame.

**B. Masonry**

A dwelling with exterior walls of brick, concrete, concrete block, adobe, tile, or other masonry materials is classified as masonry.

**C. Masonry Veneer**

A dwelling with walls of combustible construction veneered with masonry materials is classified as masonry veneer.

**D. Fire Resistive**

A building with walls, floor, and roof constructed entirely of masonry or fire resistive materials with a Fire Resistance rating of not less than one hour is classified as fire resistive.

**E. Mixed Construction**

A dwelling shall be classified as frame construction when the wall area of frame construction (excluding gables) exceeds 33 1/3% of the total wall area.

**F. Log Construction**

A dwelling with walls - and in some cases, structural framing members used to support multiple stories or the roof - made of logs, i.e. have not been milled into conventional lumber.

**ELIGIBILITY****A. Homeowners Policy**

1. A dwelling occupied by the owner and used principally for private residential purposes. The dwelling can have one or two living units.
2. A single living unit within a row house, town house, condominium or cooperative occupied by the owner and used principally for private residential purposes.
3. A new dwelling that is under construction for one or two living units to be occupied by the owner.
4. A secondary dwelling, including seasonal dwellings, occupied by the owner and used principally for private residential purposes.

**B. Renters Policy**

1. The tenant of any dwelling, apartment, condominium or cooperative unit.
2. The owner, who is also an occupant, of a dwelling or building containing an apartment that is not eligible for another Homeowners form.
3. The owner of a cooperative unit, provided:
  - a. The portion of the premises occupied as living quarters is used principally for private residential purposes.
  - b. This portion does not contain more than one additional living unit.
  - c. This portion is designated by an apartment number or other positive identification.

**C. Condominium Unitowners Policy**

1. Owner occupied units, including seasonal units, which are part of a community association organized under condominium, cooperative, town house or planned development form of ownership and where provision has been made for a master policy covering the residential building(s) real property exposure. The unit must be used principally for private residential purposes.
2. Rental or investment units in an association as described in 1. if occasionally occupied by the owner. The named insured must be an individual. Partnerships, corporations or similar legal entities are not eligible for Homeowners coverage.

**Note:** The term "owner" includes persons purchasing a dwelling, such as under a mortgage agreement or contract of sale.

### MID-TERM CHANGES

Changes that affect coverage or a risk characteristic used in rating the policy may be made during the policy term, unless otherwise stated in this manual. Mid-term changes to take advantage of a new discount or charge **or** a rate or classification change implemented by the company during the policy term are **not** permitted.

If a different premium is required for the remainder of the current policy term, the additional or return premium is to be computed pro rata unless otherwise stated in this manual.

## MINIMUM PREMIUMS

The annual minimum premium is shown below.

Policy Form	Minimum Premium
Homeowners	\$250
Renters and Condominium Unitowners	\$115



**OTHER INSURANCE**

Other insurance covering the same property is permitted only when the other insurance is for perils not covered by the policy (for example, Flood Insurance).

**POLICY PERIOD AND PREMIUM PAYMENT**

All premiums and rates shown in this manual are on an annual term basis. All policies are initially written for a one year term and are then automatically renewed annually. The rates on renewals will be those rates in effect at that time.

**RESTRICTION OF COVERAGE**

The named insured can request a restriction on an individual policy. The circumstances or exposure must be so unusual that without the restriction the policy would not be issued. No reduction from the prescribed rate and minimum premium is allowed. Refer each request to the Company.

**ROUNDING OF PREMIUMS**

Any computations for additional coverages or additional amounts of insurance are to be rounded separately to the nearest dollar. Fifty cents or more is to be considered as a dollar.

**TRANSFER**

Transfer of the policy to another location within the state is allowed provided the new location meets eligibility requirements. Transfers are subject to any necessary adjustment of premium.

## ZONES

This section provides the rules for the assignment of the zone and subzone.

## ZONE DEFINITIONS

Refer to Company for ZIP Codes not listed.

ZIP Code	Zone	Subzone
71256	25	10
71601	25	11
71602	25	09
71603	25	10
71612	25	09
71613	25	10
71630	25	12
71631	25	12
71635	25	12
71638	25	11
71639	25	11
71640	25	16
71642	25	15
71643	25	12
71644	25	12
71646	25	12
71647	25	13
71651	25	11
71652	25	12
71653	25	13
71654	25	11
71655	25	09
71656	25	10
71657	25	09
71658	25	13
71659	25	11
71660	25	11
71661	25	14
71662	25	09
71663	25	14
71665	25	12
71666	25	10
71667	25	12

## ZONES

ZIP Code	Zone	Subzone
71670	25	11
71671	25	10
71674	25	12
71675	25	10
71676	25	13
71677	25	13
71678	25	14
71701	25	09
71711	25	09
71720	25	11
71721	25	09
71722	25	10
71724	25	08
71725	25	12
71726	25	11
71728	25	09
71730	25	08
71740	25	09
71742	25	10
71743	25	09
71744	25	11
71745	25	14
71747	25	12
71748	25	13
71749	25	10
71750	25	08
71751	25	11
71752	25	10
71753	25	09
71754	25	09
71758	25	09
71759	25	08
71762	25	08
71763	25	11
71764	25	10
71765	25	10
71766	25	11
71769	25	10
71770	25	09
71801	25	10
71802	25	10

## ZONES

ZIP Code	Zone	Subzone
71820	25	10
71822	25	10
71823	25	12
71825	25	12
71826	25	10
71827	25	09
71828	25	11
71831	25	12
71832	25	10
71833	25	11
71834	25	12
71835	25	11
71836	25	10
71837	25	11
71838	25	11
71839	25	10
71840	25	11
71841	25	12
71842	25	11
71845	25	09
71846	25	12
71847	25	14
71851	25	12
71852	25	11
71853	25	10
71854	25	10
71855	25	12
71857	25	11
71858	25	10
71859	25	12
71860	25	09
71861	25	09
71862	25	11
71864	25	10
71865	25	12
71866	25	12
71901	10	10
71902	10	10
71903	10	10
71909	10	10
71910	10	10



## ZONES

ZIP Code	Zone	Subzone
71913	10	11
71914	10	11
71920	25	11
71921	25	11
71922	25	11
71923	25	09
71929	25	08
71933	25	09
71935	10	15
71937	10	13
71940	25	11
71941	25	10
71942	25	11
71943	25	10
71944	10	13
71945	10	13
71949	10	11
71950	25	14
71952	25	14
71953	10	13
71956	10	11
71957	10	13
71958	25	13
71959	25	14
71960	10	15
71961	10	16
71962	25	11
71964	10	11
71965	10	17
71968	10	12
71969	10	17
71970	10	13
71971	25	12
71972	10	13
71973	10	13
71998	25	10
71999	25	09
72001	10	14
72002	25	09
72003	25	11
72004	25	11

## ZONES

ZIP Code	Zone	Subzone
72005	30	12
72006	30	11
72007	25	09
72010	30	10
72011	25	09
72012	30	08
72013	30	11
72014	30	14
72015	25	09
72016	10	13
72017	25	14
72018	25	09
72019	25	10
72020	30	11
72021	25	11
72022	25	08
72023	25	08
72024	25	12
72025	10	14
72026	25	11
72027	30	11
72028	30	13
72029	25	10
72030	30	10
72031	30	09
72032	30	08
72033	30	08
72034	30	07
72035	30	04
72036	30	11
72037	25	14
72038	25	10
72039	30	12
72040	25	11
72041	25	12
72042	25	10
72043	30	12
72044	30	09
72045	30	11
72046	25	14
72047	30	13

## ZONES

ZIP Code	Zone	Subzone
72048	25	14
72051	30	10
72052	30	09
72053	25	12
72055	25	12
72057	25	11
72058	30	11
72059	30	11
72060	30	09
72061	30	11
72063	30	10
72064	25	13
72065	25	14
72066	25	12
72067	30	07
72068	30	09
72069	25	14
72070	10	12
72072	25	10
72073	25	10
72074	30	11
72075	30	12
72076	25	07
72078	25	07
72079	25	11
72080	30	11
72081	30	10
72082	30	09
72083	25	14
72084	25	11
72085	30	09
72086	25	11
72087	25	10
72088	30	07
72089	25	08
72099	25	07
72101	30	10
72102	30	08
72103	25	11
72104	25	09
72105	25	10

## ZONES

ZIP Code	Zone	Subzone
72106	30	09
72107	30	07
72108	25	11
72110	30	08
72111	30	13
72112	30	12
72113	25	08
72114	25	07
72115	25	07
72116	25	08
72117	25	08
72118	25	08
72119	25	07
72120	25	07
72121	30	09
72122	25	10
72123	30	10
72124	25	07
72125	10	13
72126	10	12
72127	30	07
72128	25	11
72129	25	11
72130	30	09
72131	30	08
72132	25	11
72133	25	14
72134	25	13
72135	25	10
72136	30	11
72137	30	09
72139	30	10
72140	25	12
72141	30	11
72142	25	14
72143	30	09
72145	30	09
72149	30	10
72150	25	09
72152	25	10
72153	30	08

## ZONES

ZIP Code	Zone	Subzone
72156	30	11
72157	30	10
72160	25	10
72164	25	12
72165	13	11
72166	25	12
72167	25	11
72168	25	11
72169	30	12
72170	25	12
72173	30	10
72175	25	11
72176	25	08
72178	30	09
72179	30	09
72180	25	14
72181	30	11
72182	25	11
72183	25	12
72190	25	08
72199	25	08
72201	25	08
72202	25	08
72204	25	09
72205	25	08
72206	25	12
72207	25	07
72209	25	10
72210	25	09
72211	25	06
72212	25	07
72214	25	09
72215	25	08
72216	25	12
72217	25	07
72219	25	10
72222	25	07
72223	25	08
72225	25	08
72227	25	07
72301	25	10

## ZONES

ZIP Code	Zone	Subzone
72303	25	10
72310	25	18
72311	25	18
72312	25	14
72313	25	18
72315	25	18
72319	25	18
72320	25	12
72321	25	10
72322	25	12
72324	25	17
72325	25	12
72326	25	12
72327	25	14
72328	25	15
72329	25	10
72330	25	19
72331	25	13
72332	25	14
72333	25	14
72335	25	11
72336	25	11
72338	25	18
72339	25	14
72340	25	15
72341	25	12
72342	25	15
72346	25	15
72347	25	13
72348	25	11
72350	25	17
72351	25	19
72352	25	14
72353	25	14
72354	25	16
72355	25	14
72358	25	20
72359	25	11
72360	25	12
72364	25	10
72365	25	16

## ZONES

ZIP Code	Zone	Subzone
72366	25	14
72367	25	13
72368	25	14
72369	25	13
72370	25	18
72372	25	12
72373	25	13
72374	25	14
72376	25	14
72379	25	18
72383	25	14
72384	25	12
72386	25	16
72387	25	11
72389	25	13
72390	25	14
72391	25	18
72392	25	11
72394	25	10
72395	25	19
72396	25	11
72401	30	08
72402	30	08
72404	30	09
72410	30	10
72411	30	08
72412	30	12
72413	30	11
72414	30	10
72415	30	10
72416	30	08
72417	30	09
72419	30	13
72421	30	10
72422	30	12
72424	30	12
72425	30	12
72426	25	21
72427	30	10
72428	25	20
72429	25	15

## ZONES

ZIP Code	Zone	Subzone
72430	30	13
72431	30	12
72432	25	12
72433	30	10
72434	30	10
72435	30	12
72436	30	12
72437	30	08
72438	25	18
72439	30	08
72440	30	11
72441	30	15
72442	25	17
72443	30	12
72444	30	12
72445	30	13
72447	30	12
72449	30	12
72450	30	11
72451	30	11
72453	30	12
72454	30	14
72455	30	10
72456	30	16
72457	30	10
72458	30	10
72459	30	10
72460	30	11
72461	30	13
72462	30	11
72464	30	17
72465	30	10
72466	30	10
72467	30	13
72469	30	10
72470	30	14
72471	30	10
72472	25	11
72473	30	10
72474	30	11
72475	25	15



## ZONES

ZIP Code	Zone	Subzone
72476	30	09
72478	30	10
72479	25	13
72482	13	11
72501	13	10
72512	13	10
72513	13	11
72515	13	12
72517	13	14
72519	13	12
72520	13	11
72521	13	10
72522	13	12
72523	30	09
72524	13	11
72525	13	10
72526	13	10
72527	13	11
72528	13	13
72529	13	10
72530	30	08
72531	13	12
72532	13	11
72533	30	13
72534	13	10
72536	13	12
72537	10	12
72538	13	12
72539	13	11
72540	13	15
72542	13	11
72543	30	07
72544	10	12
72546	30	08
72550	13	11
72553	13	10
72554	13	11
72555	30	11
72556	13	15
72560	30	13
72561	13	11

## ZONES

ZIP Code	Zone	Subzone
72562	13	10
72564	13	10
72565	13	13
72566	13	12
72567	30	11
72568	13	11
72569	13	12
72571	13	12
72572	30	11
72573	13	12
72575	13	10
72576	13	09
72577	13	11
72578	13	13
72579	13	11
72581	30	08
72583	13	11
72584	13	12
72585	13	13
72587	13	10
72601	10	12
72602	10	12
72610	30	10
72611	10	12
72613	10	12
72615	10	12
72616	10	13
72617	10	17
72619	10	12
72623	10	13
72624	30	10
72626	10	12
72628	30	11
72629	30	11
72630	10	13
72631	10	12
72632	10	12
72633	10	12
72634	10	12
72635	10	11
72636	30	09

## ZONES

ZIP Code	Zone	Subzone
72638	10	13
72639	30	12
72640	30	10
72641	30	10
72642	10	12
72644	10	13
72645	30	11
72648	30	11
72650	30	11
72651	10	12
72653	10	12
72654	10	12
72655	30	11
72658	10	14
72660	10	12
72661	10	13
72662	10	13
72663	30	12
72666	30	12
72668	10	12
72669	30	10
72670	30	10
72672	10	12
72675	30	09
72677	10	12
72679	30	13
72680	30	11
72682	10	14
72683	30	11
72685	30	08
72686	30	12
72687	10	12
72701	10	11
72702	10	11
72703	10	11
72704	10	11
72711	10	11
72712	10	09
72714	10	08
72715	10	10
72717	10	13

## ZONES

ZIP Code	Zone	Subzone
72718	10	12
72719	10	09
72721	10	12
72722	10	09
72727	10	12
72728	10	11
72729	10	14
72730	10	11
72732	10	12
72733	10	12
72734	10	12
72735	10	11
72736	10	10
72737	10	11
72738	10	12
72739	10	10
72740	10	13
72741	10	11
72742	10	13
72744	10	12
72745	10	11
72747	10	12
72749	10	13
72751	10	10
72752	10	13
72753	10	12
72756	10	11
72758	10	11
72760	10	11
72761	10	11
72762	10	11
72764	10	11
72765	10	11
72766	10	11
72768	10	10
72769	10	13
72770	10	11
72773	10	12
72774	10	12
72776	10	14
72801	30	08

## ZONES

ZIP Code	Zone	Subzone
72802	30	09
72812	30	09
72820	10	10
72821	10	14
72823	30	09
72824	30	09
72826	10	13
72827	30	12
72828	30	11
72829	30	09
72830	30	09
72832	30	09
72833	30	10
72834	30	09
72835	10	14
72837	30	10
72838	30	11
72839	30	11
72840	30	10
72841	10	15
72842	30	09
72843	30	11
72845	30	10
72846	30	10
72847	30	10
72851	10	14
72852	30	11
72853	30	10
72854	30	10
72855	10	14
72856	30	12
72857	30	10
72858	30	10
72860	30	12
72863	10	14
72865	10	14
72901	10	09
72903	10	11
72904	10	09
72905	10	13
72906	10	11

## ZONES

ZIP Code	Zone	Subzone
72908	10	11
72913	10	11
72914	10	09
72916	10	12
72917	10	11
72918	10	11
72921	10	13
72923	10	12
72924	10	10
72926	10	14
72927	10	14
72928	10	14
72930	10	15
72932	10	12
72933	10	14
72934	10	14
72935	10	13
72936	10	13
72937	10	13
72938	10	14
72940	10	14
72941	10	14
72943	10	14
72944	10	13
72945	10	14
72946	10	14
72947	10	13
72948	10	13
72949	10	13
72950	10	14
72951	10	14
72952	10	12
72955	10	12
72956	10	12
72957	10	12
72958	10	14
72959	10	13

**ZONE/SUBZONE ASSIGNMENT**

*For ZIP Codes not listed on the Zone/Subzone definition pages, the following rules apply in the assignment of the zone and subzone. Refer to Home Office for administration of these rules.*

- A. A ZIP Code or geographic area omitted from the Zone/Subzone definition pages will be assigned to the lowest rated contiguous zone and subzone.*
- B. If a new ZIP Code is created, it will be assigned to the lowest rated zone and subzone of the ZIP Codes that formerly constituted the new ZIP Code's geographic area, subject to a 15% policy distribution minimum.*
- C. When an existing ZIP Code boundary changes, policies will be assigned to the zone and subzone of their revised ZIP Code.*

# HOMEOWNERS

This section provides details on coverages and rating for the Homeowners policy form, including the information necessary to develop the basic premiums.

## COVERAGES - HOMEOWNERS

The policy contains two sections, each with various coverages.

### 1. Section I - Physical Damage Coverages

Coverages	Details	Minimums or Amounts
Coverage A - Dwelling	Applies to the described dwelling	100% of Replacement Cost is suggested *
Dwelling Extension	Applies to other structures on premises	10% of Coverage A amount
Coverage B - Personal Property	Applies to personal property	75% of Coverage A amount *
Types of Personal Property	Computers and Equipment	\$5,000
	Money, Bank Notes, and Coins	\$200
	Property used in a business	\$1,500 on premises (\$750 off premises)
	Securities, Accounts, and Deeds	\$1,000
	Watercraft and Equipment	\$1,500
	Trailers not used with Watercraft	\$1,500
	Jewelry and Furs (Theft)	\$2,500 (\$1,500 per item) *
	Stamps, Trading Cards, and Comic Books	\$2,500
	Firearms (Theft)	\$2,500
	Area Rugs (Theft)	\$10,000 (\$5,000 per item)
	Silverware and Goldware (Theft)	\$2,500
	Personal Conveyances	\$500
Coverage C - Loss of Use	Additional Living Expense	Actual loss sustained within 24 months
	Fair Rental Value	Actual loss sustained within 12 months
Additional Coverages	Arson Reward	\$1,000
	Building Ordinance or Law	10% of Coverage A amount
	Collapse	
	Credit Card and Forgery	\$1,000
	Debris Removal	
	Fire Department Service Charge	\$500
	Lock Rekeying	
	Power Interruption	
	Property Removed	
	Refrigerated Products	Coverage B Limit
	Temporary Repairs	
	Trees, Shrubs, and Landscaping	\$750
	Volcanic Action	



## HOMEOWNERS

\* If the dwelling is insured for less than 80% of Replacement Cost, the basic Coverage B limit is 55% of Coverage A and the Special Theft limit on Jewelry and Furs is \$1,000.

Coverage A and B limits are subject to Inflation Coverage. For available options, see the Options section.

### 2. Section II - Liability Coverages

Coverages	Details	Minimums or Amounts
Coverage L - Personal Liability	Includes Comprehensive Personal Liability	\$100,000 minimum
Coverage M - Medical Payments	Medical Payments to Others	\$1,000 minimum
Additional Coverages	Damage to Property of Others	\$500
	Claim Expenses	
	First Aid Expenses	

For available options, see the Options section.

**LOSSES INSURED - HOMEOWNERS**

## 1. Section I

Damage to insured's property is covered under Section I of the policy. As indicated in Item 1, there are three coverages under Section I.

- Coverage A - Dwelling
- Coverage B - Personal Property
- Coverage C - Loss of Use

Listed below are the losses that are insured:

Losses Insured	Protection Provided	
	Coverage A & C	Coverage B
Fire or Lightning	Accidental Direct Physical Loss (with certain exclusions)	Yes
Windstorm or Hail		Yes
Explosion		Yes
Riot or Civil Commotion		Yes
Aircraft		Yes
Vehicles		Yes
Smoke		Yes
Vandalism or Malicious Mischief		Yes
Breakage of Glass		Yes
Theft		Yes
Falling Objects		Yes
Weight of Ice, Snow or Sleet		Yes
Accidental Discharge of Water or Steam		Yes

Losses Insured	Protection Provided	
	Coverage A & C	Coverage B
Sudden, Accidental tearing etc. of Water Heating Systems or Appliances		Yes
Freezing of Plumbing		Yes
Damage from Artificially Generated Electricity		Yes

## 2. Section II

Section II Liability includes coverage for bodily injury or property damage and defense costs associated with a suit brought against an insured.

## LOSS SETTLEMENT (SECTION I) - HOMEOWNERS

The loss settlement provision for Coverage A - Dwelling and Coverage B - Personal Property varies depending on the insured's coverage selections. The available options are:

Coverage	Loss Settlement Provision
Coverage A - Dwelling	A1 Replacement Cost - Similar Construction
	A2 Replacement Cost - Common Construction
Coverage B - Personal Property	B1 Limited Replacement Cost
	B2 Depreciated Loss Settlement

The following chart illustrates the basic coverages provided by the policy.

Coverage	Dwelling Coverage as a % of Replacement Cost		
	100% or more	80 - 99%	<80%
Coverage A - Dwelling	A1 *	A1	A2
Coverage B - Personal Property	B1	B1	B2

\* Option ID, Increased Dwelling Coverage is also automatically provided.

### A. Coverage A - Dwelling

Losses to the dwelling are settled on a replacement cost basis without deduction for depreciation up to the limit shown on the Declarations Page. The loss settlement provision is based on the insured's coverage selections as indicated below:

#### 1. Replacement Cost - Similar Construction

If the dwelling is insured to at least 80% of the dwelling replacement cost, the loss settlement provision for Coverage A is repair or replacement with similar materials and construction techniques. **The basic rates reflect this loss settlement provision.**

**ACTIVATE:** Loss Settlement Provision A1 - Replacement Cost - Similar Construction

If the following conditions are met, then an additional coverage amount equal to 20% of the Coverage A limit will be provided for loss payment above the stated limits for no additional premium.

- The dwelling building and other building structures on premises are insured for at least 100% of Replacement Cost **and**
- The insured agrees to notify the company within 90 days of any additions or other physical changes which increase the value of either the dwelling or other buildings on the premises by \$5,000 or more and pay the appropriate premium.

**ACTIVATE:** Option ID in the Policy

## 2. Replacement Cost - Common Construction

When the dwelling is insured for an amount less than 80% of replacement cost, the loss settlement provision for Coverage A is repair or replacement with commonly used materials and construction techniques. **An adjustment to the basic rates is required. Refer to the Basic Premium Adjustment section.**

**ACTIVATE:** Loss Settlement Provision A2 - Replacement Cost - Common Construction

## B. Coverage B - Personal Property

### 1. Limited Replacement Cost

If the dwelling is insured for at least 80% of replacement cost, the loss settlement provision is limited replacement cost without deduction for depreciation. The Coverage B limit is equal to 75% of the Coverage A limit. **The basic rates reflect this coverage.**

**ACTIVATE:** Loss Settlement Provision B1 - Limited Replacement Cost

### 2. Depreciated Loss Settlement

If the dwelling is insured for less than 80% of replacement cost, the loss settlement provision is limited replacement cost with deduction for depreciation. The Coverage B limit is equal to 55% of the Coverage A limit. **An adjustment to the basic rates is required. Refer to the Basic Premium Adjustment section.**

**ACTIVATE:** Loss Settlement Provision B2 - Depreciated Loss Settlement

Refer to the Options section for available options.

## RATING - HOMEOWNERS

## A. Determine the basic premium.

1. Select the correct ZONE, SUBZONE, and CONSTRUCTION.
2. Determine the COVERAGE A AMOUNT and the RISK AMOUNT.
  - a. Determine the Replacement Cost of the dwelling.
  - b. Multiply the Replacement Cost by 0.80.
  - c. Select the desired amount of insurance.
    - If the desired amount is equal to or greater than the amount determined in Step 2.b., then this is the COVERAGE A AMOUNT and the RISK AMOUNT. **Skip to Step 3.**
    - If the desired amount is less than the amount determined in Step 2.b., then **continue with Step 2.d.**
  - d. Divide the desired amount of insurance (Step 2.c.) by the replacement cost of the dwelling (Step 2.a.). The COVERAGE A AMOUNT is determined by the following:

If Step 2.d. is:		Then the Coverage A Amount is: *
At Least	But Less Than	
0.70	0.80	0.80 X Replacement Cost minus \$100
0.60	0.70	0.70 X Replacement Cost minus \$100
0.50	0.60	0.60 X Replacement Cost minus \$100
0.40	0.50	0.50 X Replacement Cost minus \$100
0.30	0.40	0.40 X Replacement Cost minus \$100
0.20	0.30	0.30 X Replacement Cost minus \$100
0.00	0.20	0.20 X Replacement Cost minus \$100

\* This amount is rounded up to the nearest \$100.

The RISK AMOUNT equals the amount determined in Step 2.b. (Replacement Cost X 0.80).

3. From the basic rate pages, determine the premium based on the ZONE, SUBZONE, and CONSTRUCTION from Step 1 and the RISK AMOUNT as determined in Step 2.c. or 2.d.

Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / Base Amount \*

\* The Base Amount is the Risk Amount that has a factor of 1.000.

**Note:** For amounts greater than the largest risk amount shown, calculate the premium for the additional amount and add it to the premium for the largest risk amount shown.

4. Apply all applicable basic premium adjustments from the Basic Premium Adjustment section sequentially in the order presented in that section to derive the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.
- B. Apply any remaining percentage adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.
- C. Add any flat dollar adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.
- D. The total policy premium is subject to the minimum premium.

**HOMEOWNERS  
\$500 ALL-PERIL DEDUCTIBLE  
\$100,000 LIABILITY; \$1,000 MEDICAL PAYMENTS**

Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / \$100,000

**ZONE BASE RATES**

<b>Zone</b>	<b>Rate</b>
10	\$1,881.09
13	\$2,142.30
25	\$2,213.92
30	\$2,319.24



**HOMEOWNERS  
\$500 ALL-PERIL DEDUCTIBLE  
\$100,000 LIABILITY; \$1,000 MEDICAL PAYMENTS**

Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / \$100,000

**SUBZONE FACTORS**

<b>Subzone</b>	<b>Factor</b>
01	0.645
02	0.677
03	0.711
04	0.747
05	0.784
06	0.823
07	0.864
08	0.907
09	0.952
10	1.000
11	1.050
12	1.103
13	1.158
14	1.216
15	1.277
16	1.341
17	1.408
18	1.478
19	1.552
20	1.630
21	1.712
22	1.798

**HOMEOWNERS  
\$500 ALL-PERIL DEDUCTIBLE  
\$100,000 LIABILITY; \$1,000 MEDICAL PAYMENTS**

Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / \$100,000

CONSTRUCTION FACTORS

Construction	Factor
Frame	1.000
Masonry	0.900
Fire Resistive	0.740
Masonry Veneer	0.900
Log	1.150

**HOMEOWNERS  
\$500 ALL-PERIL DEDUCTIBLE  
\$100,000 LIABILITY; \$1,000 MEDICAL PAYMENTS**

Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / \$100,000

RISK AMOUNT FACTORS

Risk Amount	Factor
\$1	5.950
\$5,000	5.950
\$7,000	4.879
\$10,000	3.753
\$15,000	3.155
\$20,000	2.557
\$30,000	2.046
\$40,000	1.662
\$50,000	1.484
\$60,000	1.279
\$70,000	1.177
\$80,000	1.090
\$90,000	1.051
\$100,000	1.000
\$110,000	0.975
\$120,000	0.943
\$130,000	0.927
\$140,000	0.903
\$150,000	0.886
\$160,000	0.861
\$170,000	0.846
\$180,000	0.830
\$190,000	0.815
\$200,000	0.799
\$250,000	0.738
\$300,000	0.706
\$350,000	0.680
\$400,000	0.665
\$450,000	0.663
\$500,000	0.655
\$550,000	0.647
\$600,000	0.634

## HOMEOWNERS

Risk Amount	Factor
\$650,000	0.626
\$700,000	0.617
\$750,000	0.604
\$800,000	0.596
\$900,000	0.583
\$1,000,000	0.575
\$1,100,000	0.575
\$1,200,000	0.575
\$1,300,000	0.575
\$1,400,000	0.575
\$1,500,000	0.575

Each Additional	Factor
\$1,000	0.583

If insured for a risk amount less than 80% of the replacement cost, refer to the Rating Rule. For risk amounts between those shown above, interpolate to derive the appropriate factor.

## RENTERS

This section provides details on coverages and rating for the Renters policy form, including the information necessary to develop the basic premiums.

### COVERAGES - RENTERS

The policy contains two sections, each with various coverages.

#### A. Section I - Physical Damage Coverages

Coverages	Details	Minimums or Amounts
Coverage B - Personal Property	Applies to personal property	Based on personal property value
Types of Personal Property	Computers and Equipment	\$5,000
	Money, Bank Notes, and Coins	\$200
	Property used in a business	\$1,500 on premises (\$750 off premises)
	Securities, Accounts, and Deeds	\$1,000
	Watercraft and Equipment	\$1,500
	Trailers not used with Watercraft	\$1,500
	Jewelry and Furs (Theft)	\$1,000
	Stamps, Trading Cards, and Comic Books	\$2,500
	Firearms (Theft)	\$2,500
	Area Rugs (Theft)	\$10,000 (\$5,000 per item)
	Silverware and Goldware (Theft)	\$2,500
	Personal Conveyances	\$500
Coverage C - Loss of Use	Additional Living Expense	Actual loss sustained within 24 months
	Fair Rental Value	Actual loss sustained within 12 months
Additional Coverages	Arson Reward	\$1,000
	Building Additions and Alterations	15% of Coverage B amount
	Collapse	
	Credit Card and Forgery	\$1,000
	Debris Removal	
	Fire Department Service Charge	\$500
	Lock Rekeying	
	Power Interruption	
	Property Removed	
	Refrigerated Products	Coverage B Limit
	Temporary Repairs	
	Trees, Shrubs, and Landscaping	\$750
	Volcanic Action	

Coverage B limits are subject to Inflation Coverage. For available options, see the Options section.

B. Section II - Liability Coverages

Coverages	Details	Minimums or Amounts
Coverage L - Personal Liability	Includes Comprehensive Personal Liability	\$100,000 minimum
Coverage M - Medical Payments	Medical Payments to Others	\$1,000 minimum
Additional Coverages	Damage to Property of Others	\$500
	Claim Expenses	
	First Aid Expenses	

For available options, see the Options section.

**LOSSES INSURED - RENTERS**

Damage to insured's property is covered under Section I of the policy. As indicated in Item 1, there are two coverages under Section I.

- Coverage B - Personal Property
- Coverage C - Loss of Use

Listed below are the losses that are insured:

- Fire or Lightning
- Windstorm or Hail
- Explosion
- Riot or Civil Commotion
- Aircraft
- Vehicles
- Smoke
- Vandalism or Malicious Mischief
- Breakage of Glass
- Theft
- Falling Objects
- Weight of Ice, Snow or Sleet
- Accidental Discharge of Water or Steam
- Sudden and Accidental Tearing Asunder, Cracking, Bursting or Bulging of Water Heating Systems or Appliances
- Freezing of Plumbing
- Damage from Artificially Generated Electricity

**LOSS SETTLEMENT (SECTION I) - RENTERS**

Losses for Coverage B are settled on a limited replacement cost less depreciation basis (Loss Settlement Provision B2). Refer to the Options section for available options.



## RATING - RENTERS

A. Determine the basic premium.

1. Select the correct ZONE and SUBZONE.
2. Develop the value of the property by calculating the Replacement Cost Value of the personal property if Replacement Cost on Personal Property Coverage will be purchased or the Replacement Cost less Depreciation value if not. This value will be the Coverage B amount and the RISK AMOUNT.
3. From the basic rate pages, determine the premium based on the ZONE and SUBZONE from Step 1 and the RISK AMOUNT as determined in Step 2.

Premium = Zone Base Rate X Subzone Factor X Amount Factor X Risk Amount / Base Amount \*

\* The Base Amount is the Risk Amount that has a factor of 1.000.

**Note:** For amounts greater than the largest risk amount shown, calculate the premium for the additional amount and add it to the premium for the largest risk amount shown.

4. Apply all applicable basic premium adjustments from the Basic Premium Adjustment section sequentially in the order presented in that section to derive the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.
- B. Apply any remaining percentage adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.
- C. Add any flat dollar adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.
- D. The total policy premium is subject to the minimum premium.

**RENTERS**  
**\$500 ALL-PERIL DEDUCTIBLE**  
**\$100,000 LIABILITY; \$1,000 MEDICAL PAYMENTS**

Premium = Zone Base Rate X Subzone Factor X Amount Factor X Risk Amount / \$30,000

ZONE BASE RATES

Zone	Rate
10	\$169.67
13	\$310.38
25	\$303.34
30	\$223.79

**RENTERS**  
**\$500 ALL-PERIL DEDUCTIBLE**  
**\$100,000 LIABILITY; \$1,000 MEDICAL PAYMENTS**

Premium = Zone Base Rate X Subzone Factor X Amount Factor X Risk Amount / \$30,000

**SUBZONE FACTORS**

<b>Subzone</b>	<b>Factor</b>
All	1.000

**RENTERS**  
**\$500 ALL-PERIL DEDUCTIBLE**  
**\$100,000 LIABILITY; \$1,000 MEDICAL PAYMENTS**

Premium = Zone Base Rate X Subzone Factor X Amount Factor X Risk Amount / \$30,000

RISK AMOUNT FACTORS

Risk Amount	Factor
\$1	5.500
\$2,000	5.500
\$4,000	3.780
\$6,000	2.835
\$8,000	2.310
\$10,000	1.995
\$12,000	1.785
\$14,000	1.575
\$16,000	1.438
\$18,000	1.333
\$20,000	1.260
\$22,000	1.207
\$24,000	1.150
\$26,000	1.080
\$28,000	1.030
\$30,000	1.000
\$35,000	0.930
\$40,000	0.860
\$45,000	0.800
\$50,000	0.760
\$55,000	0.741
\$60,000	0.722
\$65,000	0.703
\$70,000	0.684
\$75,000	0.665
\$80,000	0.646
\$85,000	0.637
\$90,000	0.627
\$95,000	0.618
\$100,000	0.608
\$125,000	0.570
\$150,000	0.542

## RENTERS

Risk Amount	Factor
\$175,000	0.523
\$200,000	0.504
\$225,000	0.485
\$250,000	0.475
\$275,000	0.466
\$300,000	0.456

Each Additional	Factor
\$1,000	0.456

For risk amounts between those shown above, interpolate to derive the appropriate factor.

## CONDOMINIUM UNITOWNERS

This section provides details on coverages and rating for the Condominium Unitowners policy form, including the information necessary to develop the basic premiums.

### COVERAGES - CONDOMINIUM UNITOWNERS

The policy contains two sections, each with various coverages.

#### A. Section I - Physical Damage Coverages

Coverages	Details	Minimums or Amounts
Coverage A - Dwelling	Applies to building property	30% of Coverage B amount (\$1,000 min.)
Coverage B - Personal Property	Applies to personal property	Based on personal property value
Types of Personal Property	Computers and Equipment	\$5,000
	Money, Bank Notes, and Coins	\$200
	Property used in a business	\$1,500 on premises (\$750 off premises)
	Securities, Accounts, and Deeds	\$1,000
	Watercraft and Equipment	\$1,500
	Trailers not used with Watercraft	\$1,500
	Jewelry and Furs (Theft)	\$1,000
	Stamps, Trading Cards, and Comic Books	\$2,500
	Firearms (Theft)	\$2,500
	Area Rugs (Theft)	\$10,000 (\$5,000 per item)
	Silverware and Goldware (Theft)	\$2,500
	Personal Conveyances	\$500
Coverage C - Loss of Use	Additional Living Expense	Actual loss sustained within 24 months
	Fair Rental Value	Actual loss sustained within 12 months
Coverage D - Loss Assessments		\$1,000
Additional Coverages	Arson Reward	\$1,000
	Collapse	
	Credit Card and Forgery	\$1,000
	Debris Removal	
	Fire Department Service Charge	\$500
	Lock Rekeying	
	Power Interruption	
	Property Removed	
	Refrigerated Products	Coverage B Limit
	Temporary Repairs	
	Trees, Shrubs, and Landscaping	\$750
	Volcanic Action	

## CONDOMINIUM UNITOWNERS

Coverage A and B limits are subject to Inflation Coverage. For available options, see the Options section.

### B. Section II - Liability Coverages

Coverages	Details	Minimums or Amounts
Coverage L - Personal Liability	Includes Comprehensive Personal Liability	\$100,000 minimum
Coverage M - Medical Payments	Medical Payments to Others	\$1,000 minimum
Additional Coverages	Damage to Property of Others	\$500
	Claim Expenses	
	First Aid Expenses	

For available options, see the Options section.

### LOSSES INSURED - CONDOMINIUM UNITOWNERS

Damage to insured's property is covered under Section I of the policy. As indicated in Item 1, there are four coverages under Section I.

- Coverage A - Dwelling
- Coverage B - Personal Property
- Coverage C - Loss of Use
- Coverage D - Loss Assessments

Listed below are the losses that are insured:

- Fire or Lightning
- Windstorm or Hail
- Explosion
- Riot or Civil Commotion
- Aircraft
- Vehicles
- Smoke
- Vandalism or Malicious Mischief
- Breakage of Glass
- Theft
- Falling Objects
- Weight of Ice, Snow or Sleet
- Accidental Discharge of Water or Steam
- Sudden and Accidental Tearing Asunder, Cracking, Bursting or Bulging of Water Heating Systems or Appliances
- Freezing of Plumbing
- Damage from Artificially Generated Electricity

Condominium Unitowners theft coverage on seasonals or units rented or held for rental more than 26 weeks is limited to burglary coverage. Section II coverage applies on premises only.



## CONDOMINIUM UNITOWNERS

Coverages A and D on Condominium Unitowners policies are provided for accidental direct physical loss subject to certain exclusions.

**LOSS SETTLEMENT (SECTION I) - CONDOMINIUM UNITOWNERS**

Losses for Coverage B are settled on a limited replacement cost less depreciation basis (Loss Settlement Provision B2). Refer to the Options section for available options.

**RATING - CONDOMINIUM UNITOWNERS**

A. Determine the basic premium.

1. Select the correct ZONE and SUBZONE.
2. Develop the value of the property by calculating the Replacement Cost Value of the personal property if Replacement Cost on Personal Property Coverage will be purchased or the Replacement Cost less Depreciation value if not. This value will be the Coverage B amount and the RISK AMOUNT.
3. From the basic rate pages, determine the premium based on the ZONE and SUBZONE from Step 1 and the RISK AMOUNT as determined in Step 2.

Premium = Zone Base Rate X Subzone Factor X Amount Factor X Risk Amount / Base Amount \*

\* The Base Amount is the Risk Amount that has a factor of 1.000.

**Note:** For amounts greater than the largest risk amount shown, calculate the premium for the additional amount and add it to the premium for the largest risk amount shown.

4. Apply all applicable basic premium adjustments from the Basic Premium Adjustment section sequentially in the order presented in that section to derive the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.
- B. Apply any remaining percentage adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.
- C. Add any flat dollar adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.
- D. The total policy premium is subject to the minimum premium.

## CONDOMINIUM UNITOWNERS

### CONDOMINIUM UNITOWNERS \$500 ALL-PERIL DEDUCTIBLE \$100,000 LIABILITY; \$1,000 MEDICAL PAYMENTS

Premium = Zone Base Rate X Subzone Factor X Amount Factor X Risk Amount / \$30,000

#### ZONE BASE RATES

Zone	Rate
10	\$248.50
13	\$248.50
25	\$248.50
30	\$248.50

## CONDOMINIUM UNITOWNERS

### CONDOMINIUM UNITOWNERS \$500 ALL-PERIL DEDUCTIBLE \$100,000 LIABILITY; \$1,000 MEDICAL PAYMENTS

Premium = Zone Base Rate X Subzone Factor X Amount Factor X Risk Amount / \$30,000

#### SUBZONE FACTORS

Subzone	Factor
All	1.000

**CONDOMINIUM UNITOWNERS  
\$500 ALL-PERIL DEDUCTIBLE  
\$100,000 LIABILITY; \$1,000 MEDICAL PAYMENTS**

Premium = Zone Base Rate X Subzone Factor X Amount Factor X Risk Amount / \$30,000

**RISK AMOUNT FACTORS**

<b>Risk Amount</b>	<b>Factor</b>
\$1	5.500
\$2,000	5.500
\$4,000	3.780
\$6,000	2.835
\$8,000	2.310
\$10,000	1.995
\$12,000	1.785
\$14,000	1.575
\$16,000	1.438
\$18,000	1.333
\$20,000	1.260
\$22,000	1.207
\$24,000	1.150
\$26,000	1.080
\$28,000	1.030
\$30,000	1.000
\$35,000	0.930
\$40,000	0.860
\$45,000	0.800
\$50,000	0.760
\$55,000	0.741
\$60,000	0.722
\$65,000	0.703
\$70,000	0.684
\$75,000	0.665
\$80,000	0.646
\$85,000	0.637
\$90,000	0.627
\$95,000	0.618
\$100,000	0.608
\$125,000	0.570
\$150,000	0.542

## CONDOMINIUM UNITOWNERS

Risk Amount	Factor
\$175,000	0.523
\$200,000	0.504
\$225,000	0.485
\$250,000	0.475
\$275,000	0.466
\$300,000	0.456

Each Additional	Factor
\$1,000	0.456

For risk amounts between those shown above, interpolate to derive the appropriate factor.

## BASIC PREMIUM ADJUSTMENTS

The following adjustments apply to develop the basic premium. If applicable, these basic premium adjustments **must** be applied prior to adjustment for discounts, charges, or options.

The basic premium adjustments shall apply sequentially as presented in this section. Each subsequent adjustment is applied to the previously adjusted premium. Round each adjustment to the nearest dollar.

## CUSTOMER RATING INDEX (CRI) FACTOR

The basic premium shall be adjusted by the CRI Factor in accordance with the following provisions:

### A. New Business Rating

A New Business CRI will be used to determine the CRI Factor when a policy is initially written (see Section D below). The New Business CRI will continue to be used at each renewal in determining the CRI Factor for at least two years after the policy is initially written.

### B. Subsequent Rating

At each renewal, beginning at most three years from the initial effective date of the New Business CRI, a Renewal CRI will be used to determine the CRI Factor.

### C. CRI Factor

The CRI Factor is determined using the formulas below. The CRI Factor shall be rounded to 3 decimal places and is subject to the specified minimum and maximum factors.

#### NEW BUSINESS RATING

Policy Form	Formula	Minimum Factor	Maximum Factor
Homeowners	$\text{CRI Factor} = 1.003^{(5600 - \text{CRI})}$	0.700	2.500
Renters	$\text{CRI Factor} = 1.003^{(5600 - \text{CRI})}$	0.650	2.500
Condominium Unitowners	$\text{CRI Factor} = 1.003^{(5600 - \text{CRI})}$	0.700	2.500

#### SUBSEQUENT RATING

Policy Form	Formula	Minimum Factor	Maximum Factor
Homeowners	$\text{CRI Factor} = 1.003^{(5600 - \text{CRI})}$	0.700	2.500
Renters	$\text{CRI Factor} = 1.003^{(5600 - \text{CRI})}$	0.650	2.500
Condominium Unitowners	$\text{CRI Factor} = 1.003^{(5600 - \text{CRI})}$	0.700	2.500

### D. Miscellaneous Provision



## BASIC PREMIUM ADJUSTMENTS

If a policy is issued to a named insured to replace a State Farm policy on property currently insured by that person, e.g. due to refinancing of the home, due to a change of effective dates, or due to a Renter's policy address change, the CRI data from the former policy will be used to calculate the CRI for the replacement policy. If this was a Renewal CRI, the time requirements in Sections A and B of this rule are waived and Subsequent Rating applies. If this was a New Business CRI, the time requirements in Sections A and B are measured from when the New Business CRI was used initially.

### E. Reinstatements

Policies reinstated within 30 days of the date on which coverage ceases will use the CRI applicable when coverage ceased.

**NOTE:** If the named insured on the policy requests a new CRI as provided by state law, the affected policy shall be subject to the applicable rating provisions of the rule at the next renewal. This request may not be made more than once during a twelve month period.

## BASIC PREMIUM ADJUSTMENTS

### INSURANCE TO REPLACEMENT COST (Homeowners Only)

If the dwelling is insured for an amount less than 80% of replacement cost, then the following three adjustments are required:

#### A. Replacement Cost - Common Construction

Apply the appropriate factor below to the premium for the amount equal to 80% of the dwelling replacement cost (adjusted for preceding basic premium adjustments):

Coverage A/Replacement Cost		Basic Premium Adjustment
At Least	But Less Than	
0.70	0.80	0.89
0.60	0.70	0.87
0.50	0.60	0.85
0.40	0.50	0.82
0.30	0.40	0.79
0.20	0.30	0.75
0.00	0.20	0.70

#### B. Depreciated Loss Settlement - Contents

The following adjustment applies to the premium developed in A.:

Basic Premium Adjustment
-8%

#### C. Jewelry and Furs Limitation

Subtract the following from the premium developed above:

Basic Premium Adjustment
-\$7

**ACTIVATE:** Loss Settlement Provision A2 - Replacement Cost - Common Construction

**ACTIVATE:** Loss Settlement Provision B2 - Depreciated Loss Settlement (Contents)

**ATTACH:** Special Limits Endorsement, FE-5258

## ROOF SURFACES - IMPACT RESISTANT (Homeowners Only)

The basic premiums contemplate standard roof covering materials. This rule recognizes differences in roof covering materials with appropriate adjustments to the basic premium.

Discounts apply only on policies insuring a risk on which new roof covering was installed:

- After 5/31/1996 and the roof covering meets U.L. qualifying standards (or acceptable equivalent testing) **or**
- After 6/30/2005 and the rigid roof (roof materials: concrete tiles, slate, clay tiles, or fiber) meets qualifying FM or U.L. Standards (or acceptable equivalent testing).

To qualify for the discount:

- Non-metal roof coverings must be replaced (no overlay) with a qualifying roof covering or must be new construction.
- For metal roofs, the following endorsement must be attached:

**ATTACH:** Exclusion of Cosmetic Loss to Metal Roof Coverings Caused by Hail, FE-8706

Discounts do **not** apply to wood shake, wood shingle, or composition over wood roofs. Discounts also do **not** apply to metal roofs unless FE-8706 is attached.

Class	Basic Premium Adjustment
1	0%
2	0%
3	-9%
4	-12%

## BASIC PREMIUM ADJUSTMENTS

### ROOF SURFACES - WOOD (Homeowners Only)

The basic premiums contemplate standard roof covering materials. This rule recognizes differences in roof covering materials with appropriate adjustments to the basic premium for wood roof surfaces.

Roof Surface	Basic Premium Adjustment
Wood Shake	8%
Wood Shingle	8%
Composition Over Wood	10%

## BASIC PREMIUM ADJUSTMENTS

### CONDOMINIUM UNITOWNERS OCCUPANCY

If the condominium unit has any rental exposure, then the following adjustment applies to the Condominium Unitowners premium:

Number of Weeks Rented or Held for Rental	Basic Premium Adjustment
1 - 8 weeks per year	10%
9 - 12 weeks per year	35%
13 - 26 weeks per year	35%
Over 26 weeks per year but less than 100%	35%

**ATTACH:** FE-5252, Unitowners Rental to Others Endorsement, if rental is 1-26 weeks

**ATTACH:** FE-5253, Unitowners Rental/Seasonal Occupancy Endorsement, if rental is over 26 weeks

For seasonal condominium units, rate in accordance with above occupancy and attach FE-5253.

## CLAIM RECORD RATING PLAN

The basic premium will be adjusted based upon the combination of consecutive years insured with State Farm and the number of qualified paid claims.

### A. Consecutive Years Insured with State Farm

The years with State Farm are determined by the number of consecutive years (ending with the current renewal date) the named insured or spouse has had a State Farm Homeowners, Manufactured Home, or Farm/Ranch policy covering their primary dwelling or contents. Although the number of consecutive years is based on the policy on the primary dwelling or contents, it will also be used for any non-primary residence insured by State Farm.

If an applicant returns within three years of cancellation or expiration, then use the consecutive years insured with State Farm which applied at the time of cancellation or expiration.

### B. Number of Qualified Paid Claims in the Last 3 Years

The number of claims is determined by the number of qualified paid claims the policyholder has had in the last 3 years (ending 3 months prior to the current renewal effective date). A qualified claim is considered to be any non-catastrophe or non-weather related claim which results in a paid loss during this 3 year period. Losses which only have payments under Medical Payments coverage, losses which occurred prior to the policyholder's current tenure with State Farm, or losses for which subrogation payments have been received are **not** considered qualified claims.

### C. Basic Premium Adjustment

The basic premium will be adjusted according to the table below:

Consecutive Years Insured with State Farm	Basic Premium Adjustment				
	Number of Qualified Paid Claims in the Last 3 Years				
	0	1	2	3	4 +
0	-5%	11%	55%	110%	170%
1	-7%	8%	55%	110%	170%
2	-9%	5%	55%	110%	170%
3	-11%	2%	50%	105%	170%
4	-13%	-1%	50%	105%	170%
5	-15%	-4%	50%	105%	170%
6	-17%	-6%	45%	100%	170%
7	-18%	-8%	45%	100%	170%
8	-19%	-10%	45%	100%	170%
9+	-20%	-20%	30%	85%	170%

## BASIC PREMIUM ADJUSTMENTS

### HOME/AUTO DISCOUNT

The basic premium shall be reduced by the following if the named insured is also the named insured on a private passenger automobile policy written as voluntary business by State Farm.

Coverage	Basic Premium Adjustment
Homeowners	-35%
Renters and Condominium Unitowners	-25%

**Note:** The following vehicles are not qualifying policies for this discount:

- Motor homes, Truck or Van Campers (Recreational Use)
- Motorcycles, Motorscooters, and Motorized bicycles
- Antique and Classic Automobiles and Replicas
- Fleets insured under the provisions of the Experience Rating Plan
- Recreational vehicles
- Driver Training Automobiles
- Funeral Directors' Automobiles
- Automobiles Leased to United States Government Agencies
- Named Non-Owner and Employers Non-Ownership Liability/Hired Cars

## BASIC PREMIUM ADJUSTMENTS

### UTILITIES RATING PLAN (Homeowners Only)

The following adjustment applies to the basic premium depending on the calendar year that the dwelling was completed and first occupied **or** the calendar year that utilities were updated. If the year first occupied is different than the year completed, the later year is used in determination of the applicable premium adjustment. If the utilities were updated in different years, then the premium adjustment is based on the earliest year in which any one of the utilities was updated.

For utilities to be considered completely updated and qualify for the discount, **all** of the following must be updated by qualified contractors with all work conforming to local code requirements:

- A. Plumbing - improvements should include the installation of new water lines within the structure and plumbing fixtures.
- B. Electrical service - improvements should include the replacement of fuse or breaker boxes, switches, fixtures, and wiring.
- C. Heating and cooling system - improvements should include furnace and air-conditioning replacement, or replacement of burners on furnaces and compressors on central air-conditioning systems.

For Homes Completed and Occupied or Utilities Updated	Basic Premium Adjustment
During current calendar year	-40%
One year preceding current calendar year	-37%
Two years preceding current calendar year	-34%
Three years preceding current calendar year	-31%
Four years preceding current calendar year	-28%
Five years preceding current calendar year	-24%
Six years preceding current calendar year	-20%
Seven years preceding current calendar year	-17%
Eight years preceding current calendar year	-14%
Nine years preceding current calendar year	-11%
Ten years preceding current calendar year	-9%
Eleven years preceding current calendar year	-7%
Twelve years preceding current calendar year	-5%
Thirteen years preceding current calendar year	-3%
Fourteen years preceding current calendar year	-1%
Fifteen years preceding current calendar year	-1%
Sixteen years or more preceding current calendar year	0%

**Note:** A dwelling under construction shall receive the same discount as would a home completed and occupied during the current calendar year. The Coverage A amount for a dwelling under construction should equal 100% of the completed dwelling replacement cost.

**ATTACH:** Valuation Endorsement, FE-7347

State Farm Fire and Casualty Company  
Homeowners  
Arkansas

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New: 1/15/2015  
Renewal: 3/1/2015



## BASIC PREMIUM ADJUSTMENTS

### HOME ALERT PROTECTION

The following discounts apply to the basic premium for fire and burglary prevention efforts by the policyholder:

Description	Basic Premium Adjustment	
	Homeowners	Renters and Condominium Unitowners
Fire or Smoke Local Alarm	N/A	-2%
Burglar Alarm System	N/A	-3%
Fire or Smoke Detectors which also activate either a digital dialer or a voice synthesized (not tape) telephone dialer	N/A	-4%
Fire or Smoke Local Alarm and Burglar Alarm System	N/A	-5%
Fire or Smoke Local Alarm, Dead Bolt Locks and Fire Extinguisher	N/A	-5%
Fire or Smoke Detectors which also activate either a digital dialer or a voice synthesized (not tape) telephone dialer, Dead Bolt Locks and Fire Extinguisher	-2%	-6%
Burglar Alarm System, Fire or Smoke Local Alarm, Dead Bolt Locks and Fire Extinguisher	-2%	-6%
Fire and/or Burglar Alarm reporting to either Fire Dept., Police Dept. or Central Station, Dead Bolt Locks and Fire Extinguisher	-10%	-10%

Telephone dialer discounts do not apply in areas where dialers are prohibited by ordinance or law.

Only one discount from the above schedule may be applied per policy. No combination of discounts, other than shown, is permitted.

## BASIC PREMIUM ADJUSTMENTS

### AUTOMATIC SPRINKLER DISCOUNT

The following discounts apply to the basic premium for automatic sprinkler systems in the dwelling:

Description	Basic Premium Adjustment
Automatic sprinklers in all areas including bathrooms, attics, closets, and attached structures	-10%
Automatic sprinklers totally or partially omitted in bathrooms, attics, closets, and attached structures	-5%

## LOSS SETTLEMENT - PERSONAL PROPERTY

## A. Homeowners

Losses for personal property are settled on either a limited replacement cost without deduction for depreciation or a depreciated loss settlement basis depending on the insured's coverage selections. The basic Coverage B limit is also based on these coverage selections. The following chart summarizes these options:

Loss Settlement Provision	Basis of Loss Settlement	Coverage B
B1	Limited Replacement Cost	75% of Coverage A
B2	Depreciated Loss Settlement	55% of Coverage A

## 1. Dwellings insured for at least 80% of replacement cost

When the dwelling is insured for at least 80% of replacement cost, personal property losses are settled according to the Loss Settlement Provision B1. The basic premiums contemplate this coverage, but this basic coverage can be changed to a depreciated loss settlement basis for a premium discount. The selection of depreciated loss settlement coverage also reduces the Coverage B limit from 75% to 55% of the Coverage A limit.

Basic Premium Adjustment
-8%

**ACTIVATE:** Loss Settlement Provision B2 - Depreciated Loss Settlement

## 2. Dwellings insured for less than 80% of replacement cost

When the dwelling is insured for less than 80% of replacement cost, personal property losses are settled according to Loss Settlement Provision B2. The basic premiums (after adjustment for Insurance to Replacement Cost) contemplate this coverage. This basic coverage can be changed to a limited replacement cost basis for a premium charge. The selection of limited replacement cost coverage also increases the Coverage B limit from 55% to 75% of the Coverage A limit.

Basic Premium Adjustment	Minimum Adjustment
10%	\$24

**ACTIVATE:** Loss Settlement Provision B1 - Limited Replacement Cost

## B. Renters and Condominium Unitowners

## BASIC PREMIUM ADJUSTMENTS

The basic premiums contemplate loss settlement on a replacement cost less depreciation basis (Loss Settlement Provision B2). The Limited Replacement Cost Option is available only when Inflation Coverage applies to the policy.

The additional premium for this coverage shall be determined by applying the following percentage charge to the basic premium.

Basic Premium Adjustment	Minimum Adjustment
24%	\$24

**ACTIVATE:** Loss Settlement Provision B1 - Limited Replacement Cost

## BASIC PREMIUM ADJUSTMENTS

### ***REPLACEMENT COST - COMMON CONSTRUCTION (Homeowners Only)***

*The loss settlement provision for Coverage A may be revised to provide for repair or replacement with commonly used materials. The basic premiums contemplate this coverage if the home is insured for an amount less than 80% of the replacement cost. For homes insured for at least 80% of replacement cost, the following adjustment applies to the basic premium.*

<b><i>Basic Premium Adjustment</i></b>
<b><i>-10%</i></b>

**ACTIVATE:** *Loss Settlement Provision A2 - Replacement Cost - Common Construction*

## BASIC PREMIUM ADJUSTMENTS

### DEDUCTIBLES

#### A. Homeowners

The basic premiums include a \$500 all-peril deductible. For other deductibles, apply the adjustment shown in the tables below, based on the Coverage A amount.

Coverage A Amount of Insurance	Basic Premium Adjustment					
	Policy Deductible					
	1/2% (\$1,000 Minimum)	1% (\$1,000 Minimum)	2%	3%	4%	5%
\$1 - \$7,499	-12%	-12%	N/A	N/A	N/A	N/A
\$7,500 - \$14,999	-12%	-12%	N/A	N/A	N/A	N/A
\$15,000 - \$24,999	-12%	-12%	N/A	N/A	N/A	N/A
\$25,000 - \$34,999	-12%	-12%	N/A	N/A	N/A	N/A
\$35,000 - \$44,999	-12%	-12%	N/A	N/A	N/A	N/A
\$45,000 - \$49,999	-12%	-12%	N/A	N/A	N/A	N/A
\$50,000 - \$64,999	-12%	-12%	-12%	-18%	-22%	-26%
\$65,000 - \$74,999	-12%	-12%	-14%	-21%	-25%	-28%
\$75,000 - \$84,999	-12%	-12%	-16%	-22%	-26%	-29%
\$85,000 - \$99,999	-12%	-12%	-17%	-23%	-28%	-31%
\$100,000 - \$104,999	-12%	-12%	-19%	-24%	-29%	-31%
\$105,000 - \$114,999	-12%	-13%	-20%	-26%	-30%	-33%
\$115,000 - \$124,999	-12%	-14%	-21%	-27%	-31%	-34%
\$125,000 - \$134,999	-12%	-15%	-22%	-28%	-32%	-35%
\$135,000 - \$144,999	-12%	-16%	-23%	-29%	-33%	-35%
\$145,000 - \$154,999	-12%	-17%	-24%	-30%	-34%	-36%
\$155,000 - \$164,999	-12%	-18%	-25%	-30%	-34%	-37%
\$165,000 - \$174,999	-12%	-19%	-25%	-31%	-35%	-37%
\$175,000 - \$184,999	-12%	-19%	-26%	-32%	-35%	-38%
\$185,000 - \$194,999	-12%	-20%	-26%	-33%	-36%	-39%
\$195,000 - \$204,999	-13%	-21%	-27%	-33%	-37%	-39%
\$205,000 - \$214,999	-13%	-21%	-28%	-34%	-37%	-41%
\$215,000 - \$224,999	-14%	-22%	-28%	-34%	-38%	-41%
\$225,000 - \$234,999	-15%	-22%	-29%	-34%	-38%	-41%
\$235,000 - \$244,999	-15%	-23%	-29%	-35%	-38%	-41%
\$245,000 - \$274,999	-16%	-24%	-30%	-35%	-39%	-41%
\$275,000 - \$324,999	-18%	-25%	-31%	-37%	-40%	-43%
\$325,000 - \$374,999	-19%	-26%	-32%	-38%	-41%	-43%
\$375,000 - \$424,999	-20%	-28%	-33%	-38%	-42%	-44%

## BASIC PREMIUM ADJUSTMENTS

Coverage A Amount of Insurance	Basic Premium Adjustment					
	Policy Deductible					
	1/2% (\$1,000 Minimum)	1% (\$1,000 Minimum)	2%	3%	4%	5%
\$425,000 - \$474,999	-21%	-29%	-34%	-39%	-43%	-45%
\$475,000 - \$524,999	-22%	-29%	-35%	-40%	-43%	-45%
\$525,000 - \$574,999	-23%	-30%	-35%	-40%	-44%	-46%
\$575,000 - \$624,999	-23%	-30%	-35%	-40%	-44%	-46%
\$625,000 - \$674,999	-23%	-30%	-36%	-41%	-44%	-46%
\$675,000 - \$724,999	-24%	-31%	-36%	-41%	-44%	-47%
\$725,000 - \$750,000	-24%	-31%	-36%	-41%	-44%	-47%
\$750,001 - \$781,499	-24%	-31%	-36%	-41%	-44%	-47%
\$781,500 - \$843,999	-24%	-31%	-37%	-41%	-45%	-47%
\$844,000 - \$906,499	-24%	-31%	-37%	-41%	-45%	-47%
\$906,500 - \$968,999	-25%	-32%	-37%	-42%	-45%	-48%
\$969,000 - \$1,062,499	-25%	-32%	-37%	-42%	-45%	-48%
\$1,062,500 - \$1,187,499	-25%	-32%	-37%	-43%	-46%	-49%
\$1,187,500 - \$1,312,499	-25%	-32%	-37%	-43%	-46%	-49%
\$1,312,500 - \$1,437,499	-25%	-32%	-37%	-43%	-46%	-49%
\$1,437,500 - \$1,562,499	-26%	-32%	-38%	-43%	-46%	-49%
\$1,562,500 - \$1,687,499	-26%	-32%	-38%	-43%	-46%	-49%
\$1,687,500 - \$1,812,499	-26%	-32%	-38%	-43%	-46%	-49%
\$1,812,500 - \$1,937,499	-26%	-32%	-38%	-43%	-46%	-49%
\$1,937,500 - \$2,124,999	-26%	-32%	-38%	-43%	-46%	-49%
\$2,125,000 - \$2,374,999	-26%	-33%	-38%	-43%	-46%	-49%
\$2,375,000 - \$2,749,999	-26%	-33%	-38%	-43%	-46%	-49%
\$2,750,000 - \$3,249,999	-26%	-33%	-38%	-43%	-46%	-49%
\$3,250,000 - \$3,749,999	-27%	-33%	-39%	-43%	-47%	-49%
\$3,750,000 - \$4,249,999	-27%	-33%	-39%	-43%	-47%	-49%
\$4,250,000 - \$4,749,999	-27%	-33%	-39%	-43%	-47%	-49%
\$4,750,000 - \$99,999,999	-27%	-33%	-39%	-43%	-47%	-49%

Coverage A Amount of Insurance	Basic Premium Adjustment							
	Policy Deductible							
	\$500*	\$1,000	\$2,000	\$2,500*	\$3,000*	\$4,000*	\$5,000	\$10,000
\$1 - \$7,499	0%	-10%	-20%	-21%	-24%	-31%	-37%	-42%
\$7,500 - \$14,999	0%	-10%	-20%	-21%	-22%	-30%	-35%	-40%

## BASIC PREMIUM ADJUSTMENTS

Coverage A Amount of Insurance	Basic Premium Adjustment							
	Policy Deductible							
	\$500*	\$1,000	\$2,000	\$2,500*	\$3,000*	\$4,000*	\$5,000	\$10,000
\$15,000 - \$24,999	0%	-10%	-19%	-21%	-22%	-26%	-34%	-40%
\$25,000 - \$34,999	0%	-10%	-19%	-21%	-22%	-25%	-30%	-40%
\$35,000 - \$44,999	0%	-10%	-19%	-21%	-22%	-25%	-29%	-40%
\$45,000 - \$49,999	0%	-10%	-19%	-21%	-22%	-25%	-29%	-40%
\$50,000 - \$64,999	0%	-10%	-19%	-21%	-22%	-25%	-29%	-40%
\$65,000 - \$74,999	0%	-10%	-18%	-21%	-22%	-25%	-29%	-40%
\$75,000 - \$84,999	0%	-10%	-18%	-21%	-22%	-25%	-29%	-40%
\$85,000 - \$99,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-39%
\$100,000 - \$104,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-37%
\$105,000 - \$114,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-37%
\$115,000 - \$124,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-36%
\$125,000 - \$134,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-36%
\$135,000 - \$144,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-36%
\$145,000 - \$154,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-36%
\$155,000 - \$164,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-36%
\$165,000 - \$174,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-36%
\$175,000 - \$184,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-36%
\$185,000 - \$194,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-36%
\$195,000 - \$204,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-36%
\$205,000 - \$214,999	0%	-10%	-18%	-20%	-21%	-25%	-28%	-36%
\$215,000 - \$224,999	0%	-10%	-18%	-20%	-21%	-25%	-28%	-36%
\$225,000 - \$234,999	0%	-10%	-18%	-20%	-21%	-25%	-28%	-36%
\$235,000 - \$244,999	0%	-10%	-18%	-20%	-21%	-25%	-28%	-36%
\$245,000 - \$274,999	0%	-10%	-18%	-20%	-21%	-25%	-28%	-36%
\$275,000 - \$324,999	0%	-10%	-18%	-20%	-21%	-25%	-28%	-36%
\$325,000 - \$374,999	0%	-9%	-18%	-20%	-21%	-25%	-28%	-35%
\$375,000 - \$424,999	0%	-9%	-18%	-20%	-21%	-25%	-28%	-35%
\$425,000 - \$474,999	0%	-8%	-18%	-20%	-21%	-25%	-28%	-34%
\$475,000 - \$524,999	0%	-7%	-17%	-20%	-21%	-25%	-28%	-33%
\$525,000 - \$574,999	0%	-7%	-16%	-19%	-20%	-25%	-27%	-33%
\$575,000 - \$624,999	0%	-6%	-15%	-18%	-19%	-24%	-27%	-32%
\$625,000 - \$674,999	0%	-6%	-15%	-17%	-18%	-24%	-26%	-31%
\$675,000 - \$724,999	0%	-5%	-14%	-17%	-17%	-24%	-26%	-31%
\$725,000 - \$750,000	0%	-5%	-13%	-16%	-17%	-23%	-25%	-31%
\$750,001 - \$781,499	0%	-5%	-13%	-16%	-17%	-23%	-25%	-31%
\$781,500 - \$843,999	0%	-5%	-12%	-16%	-17%	-22%	-25%	-31%
\$844,000 - \$906,499	0%	-4%	-12%	-14%	-15%	-21%	-24%	-31%
\$906,500 - \$968,999	0%	-4%	-12%	-14%	-15%	-21%	-24%	-31%
\$969,000 - \$1,062,499	0%	-3%	-10%	-14%	-15%	-20%	-23%	-30%

State Farm Fire and Casualty Company  
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New: 1/15/2015  
Renewal: 3/1/2015



## BASIC PREMIUM ADJUSTMENTS

Coverage A Amount of Insurance	Basic Premium Adjustment							
	Policy Deductible							
	\$500*	\$1,000	\$2,000	\$2,500*	\$3,000*	\$4,000*	\$5,000	\$10,000
\$1,062,500 - \$1,187,499	0%	-3%	-9%	-12%	-13%	-18%	-21%	-29%
\$1,187,500 - \$1,312,499	0%	-3%	-8%	-11%	-12%	-18%	-20%	-29%
\$1,312,500 - \$1,437,499	0%	-2%	-7%	-10%	-11%	-16%	-19%	-27%
\$1,437,500 - \$1,562,499	0%	-2%	-7%	-9%	-10%	-16%	-18%	-27%
\$1,562,500 - \$1,687,499	0%	-2%	-7%	-9%	-10%	-14%	-18%	-26%
\$1,687,500 - \$1,812,499	0%	-2%	-6%	-8%	-9%	-14%	-16%	-26%
\$1,812,500 - \$1,937,499	0%	-1%	-5%	-7%	-8%	-13%	-16%	-25%
\$1,937,500 - \$2,124,999	0%	-1%	-5%	-7%	-8%	-11%	-15%	-24%
\$2,125,000 - \$2,374,999	0%	-1%	-5%	-6%	-7%	-11%	-13%	-23%
\$2,375,000 - \$2,749,999	0%	-1%	-4%	-5%	-5%	-10%	-12%	-21%
\$2,750,000 - \$3,249,999	0%	-1%	-3%	-5%	-5%	-9%	-11%	-19%
\$3,250,000 - \$3,749,999	0%	-1%	-3%	-4%	-5%	-8%	-10%	-17%
\$3,750,000 - \$4,249,999	0%	-1%	-3%	-4%	-5%	-7%	-9%	-16%
\$4,250,000 - \$4,749,999	0%	-1%	-3%	-4%	-5%	-5%	-9%	-15%
\$4,750,000 - \$99,999,999	0%	-1%	-2%	-3%	-4%	-5%	-8%	-14%

\*Renewals Only

### B. Renters and Condominium Unitowners

Policy Deductible	Basic Premium Adjustment
\$500	0%
\$1,000	-5%

State Farm Fire and Casualty Company  
Homeowners  
Arkansas

## BASIC PREMIUM ADJUSTMENTS

Policy Deductible	Basic Premium Adjustment
\$2,000	-12%
\$2,500	-15%
<b>\$3,000*</b>	<b>-17%</b>
<b>\$4,000*</b>	<b>-20%</b>
<b>\$5,000*</b>	<b>-22%</b>

\*Renewals Only

## BUILDING ORDINANCE OR LAW COVERAGE

## A. Homeowners

A Homeowners policy provides coverage for contingent liability due to the operation of building laws equal to 10% of the Coverage A limit. Loss under Coverage A will be settled on the basis of any ordinance or law regulating the construction, repair, or demolition of the building. The amount of coverage provided may be increased by application of the following charge to the basic premium.

Percentage of Coverage A Limit	Basic Premium Adjustment	Minimum Adjustment
25%	3%	\$5
50%	8%	\$15

**ACTIVATE:** Option OL in the Policy

## B. Condominium Unitowners

A Condominium Unitowners policy may be endorsed to cover contingent liability due to the operation of building laws by application of the following charge to the basic premium. Loss under Coverage A will be settled on the basis of any ordinance or law regulating the construction, repair, or demolition of the building. The amount of coverage provided will be the greater of \$1,000 or 10% of the building property limit of liability.

Basic Premium Adjustment	Minimum Adjustment
2%	\$10

**ATTACH:** Building Ordinance or Law Coverage Endorsement, FE-7759

### DISCOUNTS, CHARGES, AND OPTIONS

All discounts, charges, and options are to be applied to the basic premium as developed after applicable adjustments from the Basic Premium Adjustments section. Percentage discounts, charges, and options are to be applied to this basic premium prior to any adjustment for flat dollar discounts, charges, and options. Round each adjustment to the nearest dollar. The policy minimum premium applies to the policy premium after adjustments for discounts, charges, and options.

### ADDITIONAL INSURED

#### A. Sections I and II - Co-owner or Additional Insured

The interest of a co-owner or another additional insured with an interest only in the residence premises may be covered for no additional premium.

##### 1. Occupant - Co-owner

A Homeowners policy can be issued to the co-owner of a dwelling with one or two living units if each of the co-owners occupying the building lives in independently separate premises. A separate Homeowners policy can be issued to the other co-owner.

##### 2. Non-occupant - Co-owner

Interests of a non-occupant, other than a contractor, may be covered in the event of joint ownership in the dwelling.

##### 3. Other Additional Insureds

The interest of an additional insured with an interest only in the residence premises may be covered.

**ACTIVATE:** Option AI in the Policy.

#### B. Section I only - Contractor

The interest of a contractor in the building may be covered for no additional premium.

**ATTACH:** Contractors' Interest Endorsement, FE-7302

#### C. Sections I and II - Association

The interest of a Homeowners/Condominium Association may be covered for no additional premium.

**ATTACH:** Additional Insured Endorsement (Homeowners/Condominium Associations), FE-5262

#### D. Section II only - Special Event

The Section II interest of an additional insured arising from a special event may be covered for the following additional fully earned premium.

## DISCOUNTS, CHARGES, AND OPTIONS

Liability Limit	Premium
\$100,000	\$25
\$300,000	\$30
\$500,000	\$35
\$1,000,000	\$50
<b>\$2,000,000</b>	<b>\$75</b>
<b>\$3,000,000</b>	<b>\$105</b>
<b>\$4,000,000</b>	<b>\$125</b>
<b>\$5,000,000</b>	<b>\$140</b>

**ATTACH:** Additional Insured - Special Event Endorsement (Section II), FE-5263

### E. Sections I and II - Additional Insured

The interest of an additional insured, not described elsewhere in this section, may be covered for no additional premium.

**ATTACH:** Additional Insured Endorsement, FE-5267

## DISCOUNTS, CHARGES, AND OPTIONS

### ADULT FAMILY HOME COVERAGE

When the insured provides adult care services in the dwelling, Section II coverage should be provided. The following additional premiums apply:

<i>Liability Limit</i>		<i>Number of Adults Cared For</i>					
<i>Occurrence</i>	<i>Aggregate</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
<b>\$100,000</b>	<b>\$100,000</b>	<b>\$70</b>	<b>\$140</b>	<b>\$210</b>	<b>\$330</b>	<b>\$470</b>	<b>\$630</b>
<b>\$300,000</b>	<b>\$300,000</b>	<b>\$76</b>	<b>\$152</b>	<b>\$228</b>	<b>\$358</b>	<b>\$510</b>	<b>\$685</b>

The selected liability limit must coincide with the policy Section II limit. The above charges apply regardless of Medical Payments limits.

To reinstate the aggregate limit, refer to Company.

**ATTACH:** Adult Family Home Coverage Endorsement, FE-7766

## DISCOUNTS, CHARGES, AND OPTIONS

### BACK-UP OF SEWERS OR DRAINS

Coverage may be provided for loss caused by water which backs up through sewers or drains including sump pumps, sump pump wells, or any type system designed to remove subsurface water. The following options are available:

### BACK-UP OF SEWERS OR DRAINS - \$10,000 Limit/Listed Contents

A coverage limit of \$10,000 is provided for the dwelling and the following personal property items:

- Clothes washers and dryers
- Food freezers and the food in them
- Refrigerators
- Ranges
- Portable dishwashers
- Dehumidifiers

A \$1,000 deductible or the policy deductible, whichever is higher, applies to loss under this endorsement.

Premium	
Homeowners	Renters and Condominium Unitowners
\$15	\$5

**ATTACH:** Back-up of Sewer or Drain Endorsement (\$10,000 Limit), FE-5706

## DISCOUNTS, CHARGES, AND OPTIONS

### BUSINESS PROPERTY - INCREASED LIMITS

The policy provides \$1,500 on premises coverage and \$750 off premises coverage for personal property intended for use in a business. Coverage for merchandise held as samples or for sale or for delivery is included. Coverage is not provided for electronic data processing equipment or the recording or storage media used with that equipment.

On premises coverage can be increased to \$2,500 or \$5,000 for the following additional premium.

Limit	Premium
\$2,500	\$10
\$5,000	\$18

**ACTIVATE:** Option BP in the Policy. Limits will be shown on the Declarations Page.



## DISCOUNTS, CHARGES, AND OPTIONS

### BUSINESS PURSUITS

The Section II Liability protection may be extended to certain occupations. The occupations which may be covered are as follows:

- A. Clerical Office Employees engaged wholly in office work
- B. Salespersons, Collectors, or Messengers
- C. Teachers - including Liability for Corporal Punishment
- D. School Administrators

This coverage does not replace Professional Liability Coverage.

This option does not provide coverage for loss in connection with a business owned or financially controlled by the insured or by a partnership of which the insured is a member.

Only one charge applies per policy.

Liability Limit	Premium
\$100,000	\$7
\$300,000	\$9
\$500,000	\$10
\$1,000,000	\$12
<b>\$2,000,000</b>	<b>\$19</b>
<b>\$3,000,000</b>	<b>\$26</b>
<b>\$4,000,000</b>	<b>\$34</b>
<b>\$5,000,000</b>	<b>\$41</b>

The selected liability limit must coincide with the policy Section II limit. The above charges apply regardless of Medical Payments limits.

**ACTIVATE:** Option BU in the Policy.

## DISCOUNTS, CHARGES, AND OPTIONS

### CHILD CARE

When the insured provides babysitting care in the dwelling, Section II coverage should be provided. The following additional premiums apply:

Liability Limit		Number of Children Cared For			
Occurrence	Aggregate	1 - 3	4	5	6
\$100,000	\$100,000	\$65	\$98	\$130	\$162
\$300,000	\$300,000	\$85	\$127	\$169	\$210
\$500,000	\$500,000	\$98	\$147	\$195	\$243
\$1,000,000	\$1,000,000	\$120	\$181	\$240	\$300
<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$192</b>	<b>\$290</b>	<b>\$385</b>	<b>\$480</b>
<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$264</b>	<b>\$398</b>	<b>\$528</b>	<b>\$660</b>
<b>\$4,000,000</b>	<b>\$4,000,000</b>	<b>\$336</b>	<b>\$506</b>	<b>\$672</b>	<b>\$840</b>
<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$408</b>	<b>\$615</b>	<b>\$815</b>	<b>\$1,020</b>

The selected liability limit must coincide with the policy Section II limit. The above charges apply regardless of Medical Payments limits.

To reinstate the aggregate limit, refer to Company.

**ATTACH:** Child Care Liability Endorsement, FE-5268

## DISCOUNTS, CHARGES, AND OPTIONS

### CONDOMINIUMS BUILDING PROPERTY COVERAGE - INCREASED LIMITS

The limit of liability for Condominium Unitowners Building Property (Coverage A) can be increased.

<b>Each Additional \$1,000 - Add:</b>
<b>\$4.00</b>

## DISCOUNTS, CHARGES, AND OPTIONS

### COVERAGE B - INCREASED LIMITS (Homeowners Only)

The Coverage B amount for personal property can be increased.

Each Additional \$1,000 - Add:
\$0.60

**DWELLINGS UNDER CONSTRUCTION**

**A. Building Materials Theft**

Coverage is available for loss by theft of construction materials from the residence premises. Coverage will be terminated 180 days after its effective date, or when that dwelling is completed, whichever occurs first.

There will be no refund of premium in the event this endorsement is cancelled.

The following limit applies per loss, subject to the policy deductible (\$250 minimum).

Limit of Liability	Premium
\$5,000	\$90

**ATTACH:** Building Materials Theft Endorsement, FE-7531

**B. Theft Coverage**

Theft coverage in or to a newly constructed dwelling prior to occupancy is available for the following premium charge. Coverage will not take effect until the dwelling is fully enclosed and capable of being locked. The policy deductible applies to this coverage. The following premium will not be refunded if this endorsement is cancelled.

Premium
\$20

**ATTACH:** Theft Endorsement, FE-5272

**C. Temporary Extension of Coverage (Homeowners Only)**

Coverage B and Section II must be extended to the residence where the insured is temporarily residing. Coverage will cease at this temporary residence at the earlier of:

1. The date the new dwelling is occupied.
2. One year from the policy effective date.

There is no charge for this temporary extension.

**ATTACH:** Dwelling Under Construction Endorsement, FE-7342

## DISCOUNTS, CHARGES, AND OPTIONS

### EARTHQUAKE DAMAGE ASSUMPTION

Earthquake damage can be covered by the addition of an endorsement. The following provide additional details on this coverage.

### EARTHQUAKE DAMAGE ASSUMPTION - RULES

#### A. Earthquake Zones

Zone	Counties				
1	Crittenden	Mississippi	Poinsett		
2	Clay	Craighead	Cross	Greene	Jackson
	St. Francis	Woodruff			
3	Arkansas	Chicot	Desha	Independence	Jefferson
	Lawrence	Lee	Lonoke	Monroe	Phillips
	Prairie	Randolph	White		
4	Ashley	Bradley	Calhoun	Clark	Cleburne
	Cleveland	Conway	Dallas	Drew	Faulkner
	Fulton	Grant	Hot Springs	Izard	Lincoln
	Ouachita	Perry	Pulaski	Saline	Sharp
	Stone	Van Buren			
5	Remainder of State				

#### B. Deductible

The earthquake deductible applies separately to Coverage A (Dwelling), Dwelling Extension, Coverage B (Personal Property), and Coverage D (Loss Assessments), subject to a minimum aggregate deductible amount of \$250 in any one occurrence.

Policy Form	Deductible
Homeowners	Percentage of the Coverage A, Coverage B, and Dwelling Extension (other structures) limits of liability (\$250 minimum).
Renters	Percentage of the Coverage B limit of liability (\$250 minimum).
Condominium Unitowners	Percentage of the Coverage A and Coverage B limits of liability (\$250 minimum). A \$100 deductible applies to Coverage D.

#### C. Exterior Masonry Veneer

## DISCOUNTS, CHARGES, AND OPTIONS

The applicable charge for Earthquake Coverage (except for Renters and Condominium Unitowners) depends on whether coverage is provided for exterior masonry veneer.

1. Homeowners

- a. If coverage **is not** desired for exterior masonry veneer (or if the dwelling has no exterior masonry veneer), attach FE-7300 and use the rates for "excluding exterior masonry veneer".
- b. If coverage **is** desired for exterior masonry veneer or if the dwelling is of masonry construction, attach FE-7301 and use the rates for "including exterior masonry veneer and masonry".

2. Renters and Condominium Unitowners

Endorsements and rates for these forms are not affected by exterior masonry veneer considerations.

## DISCOUNTS, CHARGES, AND OPTIONS

### EARTHQUAKE DAMAGE ASSUMPTION - BASIC RATES

The basic rates provide basic package amounts of coverage. The rates shown below apply per \$1,000 of Coverage A for Homeowners and per \$1,000 of Coverage B for Renters and Condominium Unitowners.

#### HOMEOWNERS

Zone	Deductible	Rate per \$1,000	
		Excluding Exterior Masonry Veneer	Including Exterior Masonry Veneer and Masonry
1	10%	\$2.26	\$3.02
1	15%	\$1.99	\$2.66
1	20%	\$1.74	\$2.33
2	10%	\$1.98	\$2.47
2	15%	\$1.54	\$1.93
2	20%	\$1.20	\$1.50
3	10%	\$0.59	\$0.75
3	15%	\$0.46	\$0.59
3	20%	\$0.35	\$0.44
4	5%	\$0.42	\$0.51
4	10%	\$0.30	\$0.38
4	15%	\$0.24	\$0.29
4	20%	\$0.18	\$0.23
5	5%	\$0.25	\$0.31
5	10%	\$0.18	\$0.23
5	15%	\$0.14	\$0.17
5	20%	\$0.11	\$0.13

#### RENTERS AND CONDOMINIUM UNITOWNERS

Zone	Deductible	Rate per \$1,000
1	10%	\$1.99
1	15%	\$1.74
1	20%	\$1.52
2	10%	\$1.71
2	15%	\$1.31
2	20%	\$1.01
3	10%	\$0.91
3	15%	\$0.65
3	20%	\$0.48
4	5%	\$0.80



## DISCOUNTS, CHARGES, AND OPTIONS

Zone	Deductible	Rate per \$1,000
4	10%	\$0.58
4	15%	\$0.41
4	20%	\$0.31
5	5%	\$0.69
5	10%	\$0.46
5	15%	\$0.33
5	20%	\$0.24

**ATTACH:** Earthquake Endorsement - Excluding Masonry Veneer, FE-7300 **or** Earthquake Endorsement, FE-7301 (Homeowners)

**ATTACH:** Earthquake Endorsement, FE-7301 (Renters)

**ATTACH:** Earthquake Endorsement, FE-7310 (Condominium Unitowners)

## DISCOUNTS, CHARGES, AND OPTIONS

### EARTHQUAKE DAMAGE ASSUMPTION - INCREASED LIMITS

If higher than basic limits are provided for the following types of coverage, additional charges are made according to all applicable rates shown below. These rates apply only to the increased amount of coverage.

#### HOMEOWNERS - COVERAGE B

Zone	Deductible	Additional Rate per \$1,000
1	10%	\$0.99
1	15%	\$0.87
1	20%	\$0.76
2	10%	\$0.77
2	15%	\$0.60
2	20%	\$0.47
3	10%	\$0.22
3	15%	\$0.17
3	20%	\$0.13
4	5%	\$0.16
4	10%	\$0.12
4	15%	\$0.09
4	20%	\$0.07
5	5%	\$0.06
5	10%	\$0.05
5	15%	\$0.03
5	20%	\$0.02

#### HOMEOWNERS - DWELLING EXTENSION

Zone	Deductible	Additional Rate per \$1,000	
		Excluding Exterior Masonry Veneer	Including Exterior Masonry Veneer and Masonry
1	10%	\$1.34	\$1.62
1	15%	\$1.18	\$1.42
1	20%	\$1.03	\$1.25
2	10%	\$1.14	\$1.38
2	15%	\$0.89	\$1.07
2	20%	\$0.69	\$0.83
3	10%	\$0.26	\$0.32
3	15%	\$0.20	\$0.25
3	20%	\$0.15	\$0.19
4	5%	\$0.19	\$0.24

## DISCOUNTS, CHARGES, AND OPTIONS

Zone	Deductible	Additional Rate per \$1,000	
		Excluding Exterior Masonry Veneer	Including Exterior Masonry Veneer and Masonry
4	10%	\$0.14	\$0.18
4	15%	\$0.11	\$0.14
4	20%	\$0.08	\$0.11
5	5%	\$0.08	\$0.12
5	10%	\$0.06	\$0.09
5	15%	\$0.05	\$0.07
5	20%	\$0.04	\$0.05

### HOMEOWNERS - LOSS ASSESSMENTS

Zone	Deductible	Additional Rate per \$1,000	
		Excluding Exterior Masonry Veneer	Including Exterior Masonry Veneer and Masonry
1	10%	\$0.85	\$1.00
1	15%	\$0.74	\$0.86
1	20%	\$0.62	\$0.72
2	10%	\$0.67	\$0.82
2	15%	\$0.52	\$0.63
2	20%	\$0.40	\$0.49
3	10%	\$0.32	\$0.38
3	15%	\$0.24	\$0.29
3	20%	\$0.18	\$0.22
4	5%	\$0.35	\$0.41
4	10%	\$0.23	\$0.28
4	15%	\$0.17	\$0.21
4	20%	\$0.13	\$0.16
5	5%	\$0.26	\$0.33
5	10%	\$0.18	\$0.21
5	15%	\$0.13	\$0.16
5	20%	\$0.10	\$0.12

### CONDOMINIUM UNITOWNERS - COVERAGE A

Zone	Deductible	Additional Rate per \$1,000
1	10%	\$2.11
1	15%	\$1.85

## DISCOUNTS, CHARGES, AND OPTIONS

Zone	Deductible	Additional Rate per \$1,000
1	20%	\$1.61
2	10%	\$1.12
2	15%	\$0.85
2	20%	\$0.66
3	10%	\$0.39
3	15%	\$0.28
3	20%	\$0.21
4	5%	\$0.23
4	10%	\$0.17
4	15%	\$0.12
4	20%	\$0.09
5	5%	\$0.10
5	10%	\$0.06
5	15%	\$0.05
5	20%	\$0.03

## DISCOUNTS, CHARGES, AND OPTIONS

### EARTHQUAKE DAMAGE ASSUMPTION - YEAR BUILT ADJUSTMENT

Apply the following factor to the basic Homeowners earthquake premium based upon the age of the dwelling.

Construction Description	Year Built				
	Prior to 1940	1940 - 1949	1950 - 1979	1980 - 1989	1990 - Present
Excluding Exterior Masonry Veneer	1.30	1.25	1.20	1.20	1.00
Including Exterior Masonry Veneer and Masonry	1.95	1.40	1.20	1.15	1.00

## DISCOUNTS, CHARGES, AND OPTIONS

### FIRE DEPARTMENT SERVICE CHARGE

The Homeowners policy includes a Fire Department Service Charge limit of \$500. Increased limits may be purchased as follows:

Fire Department Service Charge Limit	Premium
\$1,000	\$10
\$1,500	\$20
\$2,000	\$30

**ATTACH:** Fire Department Service Charge Increase Endorsement (\$1,000 Limit), FE-7473, **or**

**ATTACH:** Fire Department Service Charge Increase Endorsement (\$1,500 Limit), FE-7474, **or**

**ATTACH:** Fire Department Service Charge Increase Endorsement (\$2,000 Limit), FE-7475

## DISCOUNTS, CHARGES, AND OPTIONS

### FIREARMS

The policy provides named peril coverage with a \$2,500 limit on loss by theft of Firearms. Coverage for accidental direct physical loss may be written to provide broader coverage and increase the limit as follows:

Limits for Loss by the Following Perils	Limit Any One Article	Total
Theft	\$2,500	\$5,000
Coverage B Perils (other than Theft)	Coverage B Limit plus \$5,000	Coverage B Limit plus \$5,000
All Other Covered Perils	\$2,500	\$5,000

The following additional premium applies:

Premium
\$12

**ACTIVATE:** Option FA in the Policy. Limits will be shown on the Declarations Page.

## DISCOUNTS, CHARGES, AND OPTIONS

### HOME COMPUTERS

The policy provides \$5,000 coverage on electronic data processing equipment including the recording and storage media used with that equipment. This coverage applies to equipment primarily used on premises regardless of whether it is used in a business. Coverage is included for recording or storage media which can be replaced with other of like kind and quality on the open retail market.

This limit can be increased to \$10,000.

Premium
\$15

**ACTIVATE:** Option HC in the Policy. The limit will be shown on the Declarations Page.



## DISCOUNTS, CHARGES, AND OPTIONS

### IDENTITY RESTORATION

Coverage may be provided to assist an insured whose identity has been used for fraudulent purposes. There will be no deductible applied to the loss under this endorsement.

Limit	Premium
\$25,000	\$25

The premium developed for Identity Restoration coverage is excluded from the minimum premium calculation.

**ATTACH:** Identity Restoration Coverage Endorsement, FE-3301

## DISCOUNTS, CHARGES, AND OPTIONS

### INCIDENTAL BUSINESS

If the insured maintains an incidental office, or a professional or private school or studio in the dwelling, Option IO should be activated. This option provides **additional** Section I coverage of \$5,000 on premises and \$1,000 off premises for equipment, supplies, and furnishings usual and incidental to the business occupancy. No coverage is provided under this option for computers and equipment or merchandise held as samples or for sale.

In addition, Section II coverage is provided for the incidental business. This coverage does not replace professional liability coverage.

The following premiums apply:

Liability Limit	Premium
\$100,000	\$23
\$300,000	\$26
\$500,000	\$29
\$1,000,000	\$34
<b>\$2,000,000</b>	<b>\$54</b>
<b>\$3,000,000</b>	<b>\$75</b>
<b>\$4,000,000</b>	<b>\$95</b>
<b>\$5,000,000</b>	<b>\$116</b>

The selected liability limit must coincide with the policy Section II limit. The above charges apply regardless of Medical Payments limits.

**ACTIVATE:** Option IO in the Policy.

## DISCOUNTS, CHARGES, AND OPTIONS

### JEWELRY AND FURS

For gold and silver (other than goldware and silverware), platinum, jewelry, precious and semi-precious stones, watches and furs, three coverages are available as described below:

- Named peril coverage with a \$200 limit on gold, silver, and platinum (other than goldware and silverware) and a \$1,000 limit on loss by theft of jewelry, precious and semi-precious stones, watches and furs.
- Accidental direct physical loss coverage/\$2,500 Option JF limit - see chart below.
- Accidental direct physical loss coverage/\$5,000 Option JF limit - see chart below.

Limits for Loss by the Following Perils	\$2,500 Option JF		\$5,000 Option JF	
	Limit Any One Article	Total	Limit Any One Article	Total
Theft	\$1,500	\$2,500	\$2,500	\$5,000
Coverage B Perils (other than Theft)	Coverage B Limit plus \$2,500	Coverage B Limit plus \$2,500	Coverage B Limit plus \$5,000	Coverage B Limit plus \$5,000
All Other Covered Perils	\$1,500	\$2,500	\$2,500	\$5,000

#### A. Named Peril Coverage (\$1,000 Theft Limit) - Homeowners Only

For dwellings which are insured for at least 80% of replacement cost, accidental direct physical loss coverage with a \$2,500 theft limit is provided as part of the basic premium. This coverage can be reduced to a named peril basis with a \$1,000 limit on theft for the following premium adjustment. The basic premium for Homeowners policies which are insured for an amount less than 80% of replacement cost and for Renters and Condominium Unitowners reflect the Named Peril (\$1,000 Theft Limit) Coverage - no adjustment applies.

Premium Adjustment
-\$7

**ATTACH:** Special Limits Endorsement, FE-5258

#### B. \$2,500 Limit

For Homeowners policies insured for less than 80% of replacement cost and Renters and Condominium Unitowners policies, the basic Named Peril (\$1,000 Theft Limit) coverage can be broadened to an accidental direct physical loss basis (\$2,500 Theft Limit) for the following premium. For a Homeowners policy, if the dwelling is insured for at least 80% of replacement cost, then this coverage is provided as part of the basic premium - no adjustment applies.

Premium
\$24

## DISCOUNTS, CHARGES, AND OPTIONS

**ACTIVATE:** Option JF in the Policy. Limits will be shown on the Declarations Page.

C. \$5,000 Limit

1. Homeowners (insured for less than 80% of Replacement Cost), Renters, and Condominium Unitowners

Premium
\$42

2. Homeowners (insured for at least 80% of Replacement Cost)

Premium
\$25

**ACTIVATE:** Option JF in the Policy. Limits will be shown on the Declarations Page.

## DISCOUNTS, CHARGES, AND OPTIONS

### JOINT OWNERSHIP - SEASONAL/SECONDARY DWELLINGS (Homeowners Only)

Homeowners coverage may be provided on jointly owned seasonal/secondary dwellings subject to the following limitations:

- Coverage B is limited to property owned by the named insureds which is used solely in conjunction with the premises and while on the residence premises.
- Section II Liability and Medical Payments to Others is limited to the premises only.

**ATTACH:** Joint Ownership Endorsement, FE-7566

## DISCOUNTS, CHARGES, AND OPTIONS

### JOINT UNITOWNERS (Condominium Unitowners Only)

Providing Homeowners coverage on joint unitowners may dictate the attachment of this endorsement which limits coverage in the following areas:

- Coverage B is restricted to property owned by the named insureds which is used solely in conjunction with the premises and while on the residence premises.
- Section II Liability and Medical Payments to Others is restricted to the premises only.

**ATTACH:** Joint Unitowners Endorsement, FE-7482

**LOSS ASSESSMENTS****A. Homeowners**

If the insured is a member of a Homeowners Association, coverage may be purchased for the insured's portion of an assessment against all members of the Association. Coverage applies when the assessment is made in accordance with the governing rules of the Association as a result of:

1. A direct loss to commonly owned property caused by a peril covered under Section I of the policy.
2. An occurrence to which Section II would apply.
3. Damages which the Association may be obligated to pay due to personal injury.

If an earthquake endorsement is attached to the policy, it also applies to this coverage. In this case, a separate charge for Earthquake Loss Assessments must also be made under Earthquake Coverage.

**RATES PER \$1,000**

<b>Coverage D Amount</b>		
<b>First \$5,000</b>	<b>Next \$20,000</b>	<b>Next \$75,000</b>
<b>\$0.50</b>	<b>\$0.25</b>	<b>\$0.10</b>

**ATTACH:** Coverage D Loss Assessment Endorsement, FE-5256

**B. Condominium Unitowners**

The limit of liability for Loss Assessments Coverage (Coverage D) may be increased. The following rates apply:

**RATES PER \$1,000**

<b>Additional Amount</b>		
<b>First \$1,000</b>	<b>Next \$24,000</b>	<b>Next \$75,000</b>
<b>\$10.00</b>	<b>\$0.15</b>	<b>\$0.10</b>

## DISCOUNTS, CHARGES, AND OPTIONS

### MEDICAL PAYMENTS - OPTIONAL LIMITS

For other than basic limits, apply the following premium adjustments.

Medical Payments Limit	Premium
\$1,000	Basic
\$2,000	\$3
\$3,000	\$5
\$5,000	\$9
\$10,000	\$15



## DISCOUNTS, CHARGES, AND OPTIONS

### NURSES' PROFESSIONAL LIABILITY COVERAGE

Liability arising out of nursing activities as a registered nurse, a licensed practical nurse, or a licensed vocational nurse can be covered by the addition of an endorsement.

Only one charge applies per policy.

Liability Limit		Premium
Occurrence	Aggregate	
\$100,000	\$100,000	\$40
\$300,000	\$300,000	\$45
\$500,000	\$500,000	\$50
\$1,000,000	\$1,000,000	\$60
<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$96</b>
<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$132</b>
<b>\$4,000,000</b>	<b>\$4,000,000</b>	<b>\$168</b>
<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$204</b>

The selected liability limit must coincide with the policy Section II limit. To reinstate the aggregate limit, refer to Company.

**ATTACH:** Nurses' Professional Liability Insurance Endorsement, FE-5257

OFF PREMISES STRUCTURES

A. Coverage may be extended to include structures which are located off premises. Coverage will be provided on an actual cash value basis. Coverage will **not** apply to:

1. Off-premises dwellings, whether or not owner-occupied.
2. Buildings used in whole or in part for business purposes.
3. Buildings which are rented or held for rental unless used solely as a private garage.
4. Structures which were intended for use as a dwelling when originally constructed.
5. Buildings not permanently attached to or otherwise forming a part of the realty.

Premium
\$35

B. Homeowners

Coverage is provided for "accidental direct physical loss". This endorsement does not increase the coverage amount applying to Other Structures. If the total value of Other Structures both on and off premises exceeds 10% of Coverage A, the Dwelling Extension limit may be increased using rates shown for Other Structures - Increased Limits.

**ATTACH:** Off-Premises Structures Endorsement, FE-5255

C. Renters and Condominium Unitowners

Coverage is provided on the same named peril basis as is currently provided under Coverage B. This endorsement provides a maximum \$15,000 limit of liability. If the total value of Other Structures Off Premises exceeds that amount, refer to Company.

**ATTACH:** Off-Premises Structures Endorsement, FE-5261

## DISCOUNTS, CHARGES, AND OPTIONS

### ***OFF PREMISES STRUCTURES - INCREASED LIMITS (Renters and Condominium Unitowners Only)***

*If the total value of other structures off premises exceeds \$15,000 use the following rate per additional \$1,000 of coverage.*

<i>Rate per \$1,000</i>
<b>\$3.00</b>

**ATTACH:** *Off-Premises Structures Endorsement, FE-5433*

## DISCOUNTS, CHARGES, AND OPTIONS

### OTHER STRUCTURES - INCREASED LIMITS (Homeowners Only)

The basic policy provides a limit of liability for other structures equal to 10% of Coverage A. Increased limits can be provided for other structures on the premises. The coverage will be the same as the basic policy and will be rated on the total value of the other structures in excess of 10% of Coverage A.

If an earthquake endorsement is attached to the policy, it applies to this coverage. In this case, a separate charge for Increased Other Structures must also be made under Earthquake Coverage.

Rate per \$1,000
\$3.00

**PERSONAL INJURY COVERAGE**

Coverage for Personal Injury may be provided under Coverage L - Personal Liability. This coverage includes injury arising out of the following offenses subject to the limitations in the endorsement.

- A. False arrest, detention, imprisonment, eviction, or malicious prosecution
- B. Libel, slander, or defamation of character
- C. Invasion of privacy

The following charges apply per policy.

Liability Limit	Premium
\$100,000	\$10
\$300,000	\$13
\$500,000	\$16
\$1,000,000	\$24
<b>\$2,000,000</b>	<b>\$38</b>
<b>\$3,000,000</b>	<b>\$53</b>
<b>\$4,000,000</b>	<b>\$67</b>
<b>\$5,000,000</b>	<b>\$82</b>

The selected liability limit must coincide with the policy Section II limit.

**ATTACH:** Personal Injury Endorsement, FE-7468

## DISCOUNTS, CHARGES, AND OPTIONS

### PERSONAL LIABILITY - OPTIONAL LIMITS

For other than basic limits, apply the following premium adjustments.

Personal Liability Limit	Premium
\$100,000	Basic
\$300,000	\$8
\$500,000	\$17
\$1,000,000	\$31
<b>\$2,000,000</b>	<b>\$50</b>
<b>\$3,000,000</b>	<b>\$63</b>
<b>\$4,000,000</b>	<b>\$74</b>
<b>\$5,000,000</b>	<b>\$81</b>

Limits for all Section II coverages must be equal. The Section II limits for the following coverages should be reviewed if applicable.

1. Incidental Business
2. Child Care
3. Business Pursuits
4. Nurses' Professional Liability
5. Personal Injury
6. Adult Family Home Coverage

## DISCOUNTS, CHARGES, AND OPTIONS

### RENTAL PERSONAL PROPERTY

Coverage may be provided under Coverage B for property rented or held for rental with the residence premises. Theft coverage for rental property under this endorsement is limited to burglary coverage.

Premium
\$10

**ATTACH:** Rented Personal Property Endorsement, FE-7453

## DISCOUNTS, CHARGES, AND OPTIONS

### SILVERWARE AND GOLDWARE

The policy provides named peril coverage with a \$2,500 limit of loss by theft of Silverware and Goldware. This special limit may be increased in increments of \$2,500 for the following additional premiums.

Limit for Loss by Theft	Premium
\$5,000	\$10
\$7,500	\$18
\$10,000	\$25

**ACTIVATE:** Option SG in the Policy. The limit will be shown on the Declarations Page.



## DISCOUNTS, CHARGES, AND OPTIONS

### SOLID FUEL APPLIANCES (Homeowners Only)

When one or more solid fuel burning appliances are present, a charge applies. These appliances include, but are not limited to, fireplace inserts, furnaces, boilers, wood burning stoves, and coal burning stoves. Conventional masonry fireplaces, factory built fireplaces, coal furnaces, and outdoor furnaces used to heat the home are not included in this class as long as installed according to manufacturer specifications.

Premium
\$20

## DISCOUNTS, CHARGES, AND OPTIONS

### **TEMPORARY RENTAL**

*The Temporary Rental Endorsement may be attached to provide broader theft and Section II coverage to those who rent out their homes for special events. The following fully earned premium applies:*

Premium
\$20

**ATTACH:** *Temporary Rental Endorsement, FE-3368, for Homeowners policies or*

**ATTACH:** *Temporary Rental Endorsement, FE-1314, for Renters and Condominium Unitowners policies*

## DISCOUNTS, CHARGES, AND OPTIONS

### VACANCY COVERAGE

The policy limits coverage for vandalism and glass breakage if the dwelling has been vacant for over 30 days. For an additional fully earned premium, the limitations may be deleted. The following premium will not be refunded if this endorsement is cancelled.

Premium
\$55

**ATTACH:** Vacancy Endorsement, FE-7470

## DISCOUNTS, CHARGES, AND OPTIONS

### WATERBED LIABILITY COVERAGE

A policy may be endorsed to pay up to the Coverage L limit of liability all sums for which any insured is legally liable to pay for damage to property of others caused by or arising out of the ownership, maintenance, or use of the owned waterbed. The following premium applies.

Premium
\$25

**ATTACH:** Waterbed Liability Endorsement, FE-7448

<b>State:</b>	Arkansas	<b>Filing Company:</b>	State Farm Fire and Casualty Company
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	HO-31255		
<b>Project Name/Number:</b>	HO-31255/HO-31255		

## Supporting Document Schedules

<b>Satisfied - Item:</b>	H-1 Homeowners Abstract
<b>Comments:</b>	
<b>Attachment(s):</b>	AR H-1 Homeowners Abstract (9-4-14).pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	10/01/2014

  

<b>Satisfied - Item:</b>	HPCS-Homeowners Premium Comparison Survey
<b>Comments:</b>	
<b>Attachment(s):</b>	AR HO Filing - HO Survey FORM HPCS.xlsx AR HO Filing - HO Survey FORM HPCS.pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	10/01/2014

  

<b>Satisfied - Item:</b>	NAIC loss cost data entry document
<b>Comments:</b>	
<b>Attachment(s):</b>	AR HO Filing - FORM RF-1 Rate Filing Abstract (9-4-14).pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	10/01/2014

  

<b>Satisfied - Item:</b>	Filing Memorandum & Exhibits
<b>Comments:</b>	
<b>Attachment(s):</b>	AR HO 01-15-2015 Filing Packet.pdf Homeowners Loss Mitigation Filing Exhibit 2014.pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	10/01/2014

  

<b>Satisfied - Item:</b>	Response to 9-17-2014 Objection
<b>Comments:</b>	
<b>Attachment(s):</b>	9-17-14 Inquiry Response.pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	10/01/2014

**ARKANSAS INSURANCE DEPARTMENT**  
**FORM H-1 HOMEOWNERS ABSTRACT**

**INSTRUCTIONS:** All questions must be answered. If the answer is "none" or "not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each Company if filing for a group. Subsequent homeowners rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name State Farm Fire and Casualty Company

NAIC No. 25143

GROUP No. 176

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.

N/A

2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.

N/A

3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.

N/A

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.

Changes in premium are accounted for in filing Exhibit 2

5. Specify the percentage given for credits or discounts for the following:

a. Fire Extinguisher 0-10\* %

b. Burglar Alarm 0-10\* %

c. Smoke Alarm 0-10\* %

d. Insured who has both homeowners  
and auto with your company 25-35 %

e. Deadbolt Locks 0-10\* %

f. Window or Door Locks N/A %

g. Other (Specify) \_\_\_\_\_ %

\*Credits depend on combination of protective devices \_\_\_\_\_ %  
\_\_\_\_\_ %

6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance?

No

If so, state areas and explain reason for not writing \_\_\_\_\_

7. Specify the form(s) utilized in writing homeowner insurance. Indicate the Arkansas premium volume for each form.

<u>FORM</u>	<u>PREMIUM VOLUME</u>
Homeowners	160,950,939
Renters	5,892,480
Condominium Unitowners	923,006

8. Do you write homeowner risks which have aluminum, steel or vinyl siding? Yes
9. Is there a surcharge on risks with wood heat? Yes  
If yes, state surcharge \$20 for Non-Tenant  
Does the surcharge apply to conventional fire places? No  
If yes, state surcharge \_\_\_\_\_

THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



Signature

Kathy Popejoy  
Printed Name

Assistant Vice President and Actuary  
Title

309-766-2325  
Telephone Number

kathy.popejoy.a0qq@statefarm.com  
Email Address

NAIC Number:	0176-25143
Company Name:	State Farm Fire & Casualty Company
Contact Person:	Kathy Popejoy
Telephone No.:	(309) 766-2325
Email Address:	kathy.popejoy.a0gg@statefarm.com
Effective Date:	1/15/2015 NB 3/1/2015 RB

**Homeowners Premium Comparison Survey Form  
FORM HP3 - last modified August, 2005**

Submit to: Arkansas Insurance Department  
1200 West Third Street  
Little Rock, AR 72201-1904  
Telephone: 501-371-2800  
Email as an attachment to [insurance.pnc@arkansas.gov](mailto:insurance.pnc@arkansas.gov)  
You may also attach to a SERFF filing or submit on a cdr disk

**USE THE APPROPRIATE FORM BELOW - IF NOT APPLICABLE, LEAVE  
BLANK**

Survey Form for HO3 (Homeowners) - Use \$500 Flat Deductible (Covers risk of direct physical loss for dwelling and other structures; named perils for personal property, replacement cost on dwelling, actual cash value on personal property)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$1,561.00	\$1,734.00	\$1,633.00	\$1,814.00	\$1,689.00	\$1,877.00	\$1,842.00	\$2,047.00	\$1,837.00	\$2,041.00	\$1,594.00	\$1,771.00	\$1,748.00	\$1,942.00	\$1,562.00	\$1,736.00	\$1,578.00	\$1,754.00
	\$120,000	\$2,025.00	\$2,250.00	\$2,119.00	\$2,354.00	\$2,192.00	\$2,436.00	\$2,391.00	\$2,657.00	\$2,384.00	\$2,648.00	\$2,069.00	\$2,298.00	\$2,268.00	\$2,521.00	\$2,027.00	\$2,252.00	\$2,048.00	\$2,276.00
	\$160,000	\$2,465.00	\$2,739.00	\$2,579.00	\$2,866.00	\$2,669.00	\$2,965.00	\$2,911.00	\$3,234.00	\$2,902.00	\$3,224.00	\$2,518.00	\$2,798.00	\$2,762.00	\$3,068.00	\$2,468.00	\$2,742.00	\$2,494.00	\$2,771.00
6	\$80,000	\$1,561.00	\$1,734.00	\$1,633.00	\$1,814.00	\$1,689.00	\$1,877.00	\$1,842.00	\$2,047.00	\$1,837.00	\$2,041.00	\$1,594.00	\$1,771.00	\$1,748.00	\$1,942.00	\$1,562.00	\$1,736.00	\$1,578.00	\$1,754.00
	\$120,000	\$2,025.00	\$2,250.00	\$2,119.00	\$2,354.00	\$2,192.00	\$2,436.00	\$2,391.00	\$2,657.00	\$2,384.00	\$2,648.00	\$2,069.00	\$2,298.00	\$2,268.00	\$2,521.00	\$2,027.00	\$2,252.00	\$2,048.00	\$2,276.00
	\$160,000	\$2,465.00	\$2,739.00	\$2,579.00	\$2,866.00	\$2,669.00	\$2,965.00	\$2,911.00	\$3,234.00	\$2,902.00	\$3,224.00	\$2,518.00	\$2,798.00	\$2,762.00	\$3,068.00	\$2,468.00	\$2,742.00	\$2,494.00	\$2,771.00
9	\$80,000	\$1,561.00	\$1,734.00	\$1,633.00	\$1,814.00	\$1,689.00	\$1,877.00	\$1,842.00	\$2,047.00	\$1,837.00	\$2,041.00	\$1,594.00	\$1,771.00	\$1,748.00	\$1,942.00	\$1,562.00	\$1,736.00	\$1,578.00	\$1,754.00
	\$120,000	\$2,025.00	\$2,250.00	\$2,119.00	\$2,354.00	\$2,192.00	\$2,436.00	\$2,391.00	\$2,657.00	\$2,384.00	\$2,648.00	\$2,069.00	\$2,298.00	\$2,268.00	\$2,521.00	\$2,027.00	\$2,252.00	\$2,048.00	\$2,276.00
	\$160,000	\$2,465.00	\$2,739.00	\$2,579.00	\$2,866.00	\$2,669.00	\$2,965.00	\$2,911.00	\$3,234.00	\$2,902.00	\$3,224.00	\$2,518.00	\$2,798.00	\$2,762.00	\$3,068.00	\$2,468.00	\$2,742.00	\$2,494.00	\$2,771.00

Survey Form for HO4 (Renters) - Use \$500 Flat Deductible (Named perils for personal property, actual cash value for loss, liability and medical payments for others included)

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$94.00	\$94.00	\$94.00	\$94.00	\$123.00	\$123.00	\$167.00	\$167.00	\$167.00	\$167.00	\$167.00	\$167.00	\$167.00	\$167.00	\$94.00	\$94.00	\$167.00	\$167.00
	\$15,000	\$128.00	\$128.00	\$128.00	\$128.00	\$169.00	\$169.00	\$229.00	\$229.00	\$229.00	\$229.00	\$229.00	\$229.00	\$229.00	\$229.00	\$128.00	\$128.00	\$229.00	\$229.00
	\$25,000	\$158.00	\$158.00	\$158.00	\$158.00	\$208.00	\$208.00	\$282.00	\$282.00	\$282.00	\$282.00	\$282.00	\$282.00	\$282.00	\$282.00	\$158.00	\$158.00	\$282.00	\$282.00
6	\$5,000	\$94.00	\$94.00	\$94.00	\$94.00	\$123.00	\$123.00	\$167.00	\$167.00	\$167.00	\$167.00	\$167.00	\$167.00	\$167.00	\$167.00	\$94.00	\$94.00	\$167.00	\$167.00
	\$15,000	\$128.00	\$128.00	\$128.00	\$128.00	\$169.00	\$169.00	\$229.00	\$229.00	\$229.00	\$229.00	\$229.00	\$229.00	\$229.00	\$229.00	\$128.00	\$128.00	\$229.00	\$229.00
	\$25,000	\$158.00	\$158.00	\$158.00	\$158.00	\$208.00	\$208.00	\$282.00	\$282.00	\$282.00	\$282.00	\$282.00	\$282.00	\$282.00	\$282.00	\$158.00	\$158.00	\$282.00	\$282.00
9	\$5,000	\$94.00	\$94.00	\$94.00	\$94.00	\$123.00	\$123.00	\$167.00	\$167.00	\$167.00	\$167.00	\$167.00	\$167.00	\$167.00	\$167.00	\$94.00	\$94.00	\$167.00	\$167.00
	\$15,000	\$128.00	\$128.00	\$128.00	\$128.00	\$169.00	\$169.00	\$229.00	\$229.00	\$229.00	\$229.00	\$229.00	\$229.00	\$229.00	\$229.00	\$128.00	\$128.00	\$229.00	\$229.00
	\$25,000	\$158.00	\$158.00	\$158.00	\$158.00	\$208.00	\$208.00	\$282.00	\$282.00	\$282.00	\$282.00	\$282.00	\$282.00	\$282.00	\$282.00	\$158.00	\$158.00	\$282.00	\$282.00

Survey Form for DP-2 (Dwelling/Fire) - Use \$500 Flat Deductible (Named perils for dwelling and personal property; replacement cost for dwelling, actual cash value for personal property, no liability coverage)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000																		
	\$120,000																		
	\$160,000																		
6	\$80,000																		
	\$120,000																		
	\$160,000																		
9	\$80,000																		
	\$120,000																		
	\$160,000																		

**SPECIFY THE PERCENTAGE GIVEN FOR CREDITS OR DISCOUNTS FOR THE FOLLOWING:**

**HO3 and HO4 only**

Fire Extinguisher		%	Deadbolt Lock		%
Burglar Alarm	0 to -3%	%	Window Locks		%
Smoke Alarm	0 to -2%	%	\$1,000 Deductible	-10 to -1%	%
			Other (specify)		
			Renters \$1000 Deductible	-5%	%
			Maximum Credit Allowed		%

**EARTHQUAKE INSURANCE**

**IMPORTANT, homeowners insurance does NOT automatically cover losses from earthquakes. Ask your agent about this cc**

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS? ☐ Yes (yes or no)  
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?  Min 5% (Zon)%

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone		Brick		Frame	
	Highest Risk	Lowest Risk	\$ 10% dedt/\$3.02	\$ 5% dedt/\$0.31	\$ 10% dedt/\$2.26	\$ 5% dedt/\$0.25



## NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	Filing # HO-31255
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A
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	Company Name		Company NAIC Number
3.	A.	State Farm Fire & Casualty Company	B. 0176-25143

	Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A.		B.

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowners Multi-Peril	5.6%	3.0%					
TOTAL OVERALL EFFECT	5.6%	3.0%	N/A	N/A	N/A	N/A	N/A

6.

5 Year History

Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2009	148,729	9.0	4/15/09	120,726	133,887	111%	67%
2010	150,649	7.7	4/15/10	132,052	78,157	59%	64%
2011	152,679	7.0	9/01/11	142,030	153,949	108%	75%
2012	157,238	2.5	10/15/12	149,765	73,611	49%	61%
2013	164,460	5.4	1/15/14	161,482	60,078	37%	50%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	19.3
B. General Expense	1.7
C. Taxes, License & Fees	3.1
D. Underwriting Profit & Contingencies	8.0
E. Other (explain)	
F. TOTAL	32.1

8. N Apply Lost Cost Factors to Future filings? (Y or N)

9. 24.2% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_

10. -13.5% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): \_\_\_\_\_

**STATE FARM FIRE AND CASUALTY COMPANY**  
**Arkansas Homeowners Program**  
**Filing Memorandum**  
**Effective Dates: 01/15/2015 New Business**  
**03/01/2015 Renewal Business**

**I. Indicated Rate Change and Rate Revision**

Attached for your review is our methodology for forecasting premiums, losses, and expenses to arrive at an indicated change (see Exhibits 1-7). The projections underlying the indicated change include the impact of applicable coverage changes. The result of the procedure is a 5.6% overall indicated change. This filing represents an overall 3.0% change for the Arkansas Homeowners Program. The loss experience by year is shown in Exhibit 8.

**II. Summary of Indications and Changes by Form**

Shown below are the indicated changes by Form and the overall changes.

Policy Form	Indicated Rate Change	Summary Of Changes
Homeowners	5.8%	3.1%
Renters	-0.3%	0.0%
Condominium Unitowners	1.8%	0.0%
Homeowners Program	5.6%	3.0%

Exhibit 9 shows the development of the indicated changes by Form.

**III. Homeowners Program Changes**

**A. Subzone Definition Changes**

We are revising our current subzone definitions based on a complete analysis of loss experience by ZIP Code. In cases where a ZIP Code is split between more than one zone, the loss experience was considered separately for each subdivision. These unique ZIP Code/zone combinations are hereafter referred to as defined areas. Renters and Condominium Unitowners premiums do not vary by subzone.

To determine the indicated subzone assignments, we reviewed non-catastrophe, non-wind/hail loss experience for each defined area. We also reviewed fire protection information to develop expected loss per policy for the fire peril. We credibility-weighted each area's experience with the experience of surrounding areas and incorporated provisions for non-catastrophe wind/hail losses, catastrophes, and expenses to determine the indicated base rates. We also used the current base rate as a final complement of credibility when the defined and surrounding areas' experience wasn't fully credible. The indicated base rates were then indexed to their corresponding zone average indicated base rate to determine the appropriate subzone assignment based on the subzone rate differentials.

In order to minimize the rate impact for individual policyholders, we plan to move toward the indicated subzone structure by limiting the changes from this procedure to + or – 10% when possible. Therefore, the selected subzone assignments may differ from the indicated assignments to reflect those limitations.

Please see Exhibit 10 for the current and revised subzone changes by ZIP and the manual pages for the new subzone definitions.

#### **B. Miscellaneous Manual Changes**

We have reviewed our manual for necessary changes that reflect rule clarifications and/or other revisions to standard wording. These changes have no rate impact. Any changes are listed on the Summary of Revisions page of the rate manual.

### **IV. Non-Tenant Homeowners Changes**

#### **A. Basic Premiums**

We are implementing a statewide basic premium change that when combined with all other changes results in a statewide average 3.1% change for the Non-Tenant policy form.

#### **B. Deductible and Amount of Insurance**

We are adjusting our rate relationships by deductible and amount of insurance primarily based on a generalized linear model fit to companywide Homeowners experience.

Please refer to Exhibits 11A and 11B for our current and revised deductible discounts and charges. Exhibit 12 shows our current and revised amount relativities.

#### **C. Construction Factors**

We are adjusting the construction factors primarily based on a generalized linear model fit to companywide Homeowners experience.

The following table shows our current and revised factors.

Construction Type	Current Factors	Revised Factors
Frame	1.000	1.000
Log	1.100	1.150
Masonry	0.870	0.900
Fire Resistive	0.710	0.740
Masonry Veneer	0.870	0.900

#### **D. Utilities Rating Plan**

We are revising selected discounts under the Utilities Rating Plan primarily based on a generalized linear model fit to companywide Homeowners experience. The following table shows our current and revised discounts.

Age of Utilities	Current Discount	Revised Discount
0	-40%	-40%
1	-37%	-37%
2	-34%	-34%
3	-31%	-31%
4	-28%	-28%
5	-25%	-24%
6	-22%	-20%
7	-19%	-17%
8	-16%	-14%
9	-13%	-11%
10	-11%	-9%
11	-9%	-7%
12	-7%	-5%
13	-5%	-3%
14	-3%	-1%
15	-1%	-1%
16+	0%	0%

#### **V. Renters and Condominium Unitowners Changes**

##### **A. Basic Premiums**

We are implementing statewide basic premium changes that when combined with all other changes result in a statewide average 0.0% change for the Renters policy form and a statewide average 0.0% change for the Condominium Unitowners policy form.

##### **B. Amount of Insurance**

We are adjusting our rate relationships by amount of insurance primarily based on a generalized linear model fit to companywide Homeowners experience.

Please refer to Exhibit 13 for our current and revised amount relativities.

State Farm Fire and Casualty Company  
Arkansas Homeowners  
Index of Exhibits

Exhibit	Description
1	Calculation of Indicated Rate Level Adjustment
2	Average Premium Per Policy
3	Non-Cat Average Paid Claim and Claim Frequency
4	Adjustments to Paid Loss Ratio
5	Catastrophe Provision
6	Underwriting Expense Exhibit
7	Provision for Underwriting Profit and Contingencies Total Financial Needs Analysis
8	Gross Underwriting Profit or Loss
9	Indicated Rate Level Adjustment by Form
10	Non-Tenant Subzone Change by ZIP
11	Non-Tenant Deductible Discounts
12	Non-Tenant Amount of Insurance
13	Tenant Amount of Insurance

Exhibit 1  
State Farm Fire and Casualty Company  
Arkansas Homeowners  
Indicated Rate Level Adjustment  
Policies Effective: 01/15/2015 New 03/01/2015 Renewal

Premiums, Losses and Expenses Per Policy Projected To 3/1/2016

	\$Per Policy	% Of Earned Premium
Earned Premium	1,112.84	100.0
Non-Catastrophe Incurred Losses and Loss Adjustment Expenses	523.28	47.0
Incurred Losses	448.40	40.3
Incurred Loss Adjustment Expenses	74.88	6.7
Catastrophe Losses and Loss Adjustment Expense	280.76	25.2
Total Losses and Loss Adjustment Expenses	804.04	72.2
Total Underwriting Expenses	268.39	24.1
Fixed Expenses	96.57	8.7
Variable Expenses	171.82	15.4
Total Loss and Expenses	1,072.43	96.3

Indicated Rate Level Adjustment

The Rate Level adjustment is derived by solving the following formula:

$$IC = ((L + F) / (100 - V - P) - 1) * 100$$

where:  $IC$  = Indicated Change to Rate Level

$L$  = Total Loss and Loss Adjustment Expenses

$F$  = Fixed Expenses

$V$  = Variable Expenses

$P$  = Profit and Contingencies

all expressed as a percent of projected earned premium

Solving the equation using the data shown above and a 8.0% provision for profit and contingencies yields:

$$\begin{aligned}
 IC &= (((72.2 + 8.7) / (100 - 15.4 - 8.0)) - 1) \times 100 \\
 &= ((80.9 / 76.6) - 1) \times 100 \\
 &= (1.056 - 1) * 100 \\
 &= 5.6\% \text{ increase}
 \end{aligned}$$

Exhibit 2  
State Farm Fire and Casualty Company  
Arkansas Homeowners  
Average Premium Per Policy

Premium per policy for the current calendar year is projected by adjusting actual premium writings to current premium levels to reflect items such as changes in rates, inflation and distributions. The resulting current level written premium is then forecast by estimating the effects the same elements (rates, inflation and distribution changes) will have in future years. Written premium per policy and earned premium per policy are projected to the mid-point of the period proposed rates are to be in effect by straight-line interpolation between the appropriate calendar year forecasts.

**I. Premium Adjustments**

**A. Rate Change Adjustment**

Rather than assume a uniform distribution of premium writings by month to determine rates at current rate level, we assign a rate change factor by month and apply the factor to monthly written premium distributions.

Actual written premium per policy is adjusted to current rate level in recognition of the following rate changes.

Effective Date		
New	Renewal	Effect
10/15/2012	12/1/2012	2.5
1/15/2014	3/1/2014	5.4

The above effects do not include the impacts of any coverage changes. When appropriate, projected losses and expenses have been adjusted to account for such changes.

**B. Inflation Adjustment**

Actual written premium is further adjusted to reflect inflationary changes. Currently, a 1.0% change in policy amount results in a 0.594% change in policy premium.

The anticipated increase in policy amount and the resulting premium increase are shown below for Arkansas.

	2014	2015	2016	2017
Increase in Policy Amount	1.022	1.022	1.022	1.022
Premium Equivalence Factor	0.594	0.594	0.594	0.594
Resulting Effect on Premium	1.013	1.013	1.013	1.013

**C. Adjustments For Anticipated Shifts in Distributions**

Written premium per policy is further adjusted to recognize any projected changes in our distribution of business that are not reflected in current data or trends.

	2014	2015	2016	2017
Adjustment Factor	1.001	1.000	1.000	1.000

Exhibit 2 (Continued)  
State Farm Fire and Casualty Company  
Arkansas Homeowners  
Average Premium Per Policy

**II. Premium Calculations**

**A. Current Calendar Year**

Historical written premium is adjusted to reflect changes in rate level, inflation and distribution to get an estimate of the current calendar year written premium at current level, by month.

Earned premium is estimated by earning the premium written uniformly over a 13-month period with the first and last month each earning  $1/24^{\text{th}}$  and the remaining months each earning  $1/12^{\text{th}}$  of the premium written. This produces a more accurate estimate of earned premium than can be produced using the traditional parallelogram method.

Our estimate of 2014 premium per policy is: \$1096.23.

This estimate reflects latest actual premium per policy adjusted for items such as current rates and inflation.

**B. Subsequent Calendar Years**

Each subsequent calendar year's written premium is estimated by applying adjustment factors for inflation and distribution changes to written premium distributions by month for the prior year. Since those written premiums have already been adjusted to current rate level no further rate change adjustment is necessary. Earned premium is estimated in the same manner as above.

Year	Prior Year Written Premium Per Policy	Adjustment Factors		Projected Written Premium Per Policy
		Inflation Coverage	Distribution Change	
2015	1096.23	1.013	1.000	1110.48
2016	1110.48	1.013	1.000	1124.92
2017	1124.92	1.013	1.000	1139.54

**C. Period of Proposed Rates**

The estimated premium per policy of the period that proposed rates are to be in effect is determined via straight-line interpolation between the appropriate calendar years to the mid-point of the annual period the rates are to be in effect. This is analogous to applying current level premium adjustments to the historical earned premium and a projection factor for inflationary effects.

Calendar Year	Projected Written Premium Per Policy	Projected Earned Premium Per Policy
2015	1110.48	1103.28
2016	1124.92	1117.62
3/1/2016	1120.10	1112.84



Exhibit 3  
State Farm Fire and Casualty Company  
Arkansas Homeowners  
Non-Cat All Peril: Frequency, Severity and Pure Premium

**Historical Data**

Period	Severity	Frequency	Pure Premium
3/2007	5,444	5.59	304.55
6/2007	5,615	5.15	288.99
9/2007	5,768	5.13	295.77
12/2007	5,553	5.34	296.31
3/2008	5,404	5.26	284.44
6/2008	5,762	5.35	308.37
9/2008	6,016	5.55	333.71
12/2008	6,430	5.48	352.17
3/2009	7,075	5.57	394.17
6/2009	7,118	6.18	439.98
9/2009	7,126	6.25	445.18
12/2009	7,099	6.26	444.41
3/2010	6,841	6.40	438.00
6/2010	7,093	6.03	427.54
9/2010	7,204	5.89	424.64
12/2010	7,151	5.89	421.15
3/2011	7,513	5.40	405.55
6/2011	7,099	5.80	411.38
9/2011	7,027	6.31	443.61
12/2011	7,539	6.02	453.91
3/2012	7,538	6.15	463.81
6/2012	7,789	5.82	453.24
9/2012	7,882	5.54	436.53
12/2012	7,530	5.84	439.69
3/2013	7,163	6.03	432.15
6/2013	7,172	5.97	427.89
9/2013	7,339	5.62	412.16
12/2013	7,142	5.45	388.94

**Trended Values❖**

28 Point	8,687	5.76	500.37
20 Point	7,685	5.92	454.95
12 Point	7,241	5.83	422.15

**Selected Values**

Selected	7,993	5.61	448.40
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- ❖ Trended Values represent an ordinary Least Squares trend for Severity. The Frequency value is an average of the points selected. Trended and selected values are for the mid-point of the period that these rates would be in effect (3/1/2016).

The Pure Premium figures are shown for All Perils. When appropriate, the data underlying the frequency and/or severity data has been adjusted prior to the by peril selection process. The data shown in the above table reflects any applied adjustments. The selected figures are based on an in-depth analysis of Frequency, Severity and Pure Premium separately for each of the perils of Fire-Lightning, Fire Other, Wind/Hail, OEC, Crime, Section II (Liability). An analysis by peril reveals trends and highlights abnormal results that cannot be determined in an analysis of All Perils data. The results are summed by peril to determine the selected figures shown.

Exhibit 4  
State Farm Fire and Casualty Company  
Arkansas Homeowners  
Adjustments to Non-Catastrophe Paid Loss Ratio

**I. Factor to Adjust Non-Cat Paid Loss to Non Cat Incurred Loss**

Year	Ratio of Non-Cat Incurred Losses to Non-Cat Paid Losses		
2009	1.0550		
2010	1.0500		
2011	0.9784		
2012	1.0437		
2013	0.9673		
3 Year Average	0.9965		
5 Year Average	1.0189		
		Paid Loss Per Policy	Incurred Loss Per Policy
Selected 3/1/2016	1.0000	\$448.40	\$448.40

Non-Catastrophe Incurred Losses Projected To 3/1/2016:

\$448.40

**II. Factor to Adjust Non-Cat Incurred Losses to Non-Cat Incurred Loss and Loss Adjustment Expense (includes both Allocated and Unallocated Loss Adjustment Expenses)**

	Non-Catastrophe Loss Adjustment Expenses Divided by Incurred Losses				
Year	A.L.A.E.*	U.L.A.E.*	Total		
2009	0.0156	0.1446	0.1601		
2010	0.0076	0.1248	0.1324		
2011	0.0090	0.1309	0.1399		
2012	0.0105	0.1317	0.1422		
2013	0.0207	0.1709	0.1916		
3 Year Average	0.0134	0.1445	0.1579		
5 year Average	0.0127	0.1406	0.1532		
				Incurred Loss Per Policy	Adj. Expense
Selected 3/1/2016	0.0134	0.1536	0.1670	\$ 448.40	\$ 74.88

Non-Catastrophe Loss Adjustment Expenses Projected To 3/1/2016:

\$ 74.88

\* Beginning January 1, 1998, ALAE and ULAE are defined according to the Annual Statement Instructions. ALAE refers to "Claim Adjustment Services" including defense, litigation, and medical cost containment. ULAE refers to all remaining expenses associated with adjusting and recording policy claims.

Exhibit 5  
State Farm Fire and Casualty Company  
Arkansas Homeowners  
Catastrophe Provision

For ratemaking purposes, State Farm removes all catastrophe (CAT) losses from our loss data. Each state's CAT losses are analyzed separately and a CAT provision is developed and used in the ratemaking formula.

## **I. Amount Of Insurance Years Exposure Base**

The Amount of Insurance Years statistic (AIY) measures \$1,000's of building insurance in force for one year. For example, a \$100,000 dwelling insured on January 1<sup>st</sup> and in force continuously for that year equals 100 Amount of Insurance Years. Amount of Insurance Years reflects changing values and represents an accurate measure of our exposure to catastrophic loss.

## **II. Catastrophe Provision**

### **A. Trend Factor**

A catastrophe trend factor is applied to reflect the upward trend in our CAT ratios over the experience period.

Some reasons for this increasing trend include:

- The leveraging effect of a fixed dollar catastrophe threshold
- A change in the distribution of business in CAT prone areas
- Changes over time in the nature of exposures underlying the catastrophe data

Exhibit 5A shows the development of the trend factor. The trend factor is based on companywide Homeowners data since individual state data lacks credibility.

### **B. Weighted CAT Provision**

Because catastrophes can be infrequent events, many years of history are needed to determine a provision. Contract changes and changes in the number of policies written in catastrophe prone areas, however, make it prudent to give greater weight to more recent years.

The weighted CAT/AIY is calculated as the weighted average using the catastrophe data trended to a common projection date. Please see Exhibit 5B for more details.

### **C. Capping**

Each year the indicated CAT provision will be calculated using the actual uncapped experience, but the selected provision may be limited from the previous year's CAT provision to provide stability. In choosing the selected CAT/AIY, appropriate consideration is given to historical data, future conditions, insurance and economic trends along with other relevant considerations.

## **III. Catastrophe Loss & LAE**

The Catastrophe Provision determined above is multiplied by projected AIY per policy to determine the CAT Loss & Loss Adjustment Expense (LAE) per policy used in the indicated change calculation.

Exhibit 5 (continued)  
State Farm Fire and Casualty Company  
Arkansas Homeowners  
Catastrophe Provision

A.	Trended Catastrophe Ratio (from Exhibit 5B)	=	1.7511
B.	Previous Year's CAT Provision	=	1.6255
C.	Selected CAT Provision = A Subject to capping described in Section II.C	=	1.7511
D.	Projected AIY per policy	=	160.33
E.	Catastrophe Loss & LAE per Policy (as of 3/1/2016) = C × D	=	280.76

EXHIBIT 5A  
STATE FARM COMPANYWIDE  
HOMEOWNERS DATA  
DEVELOPMENT OF CATASTROPHE TREND

(1)	(2)	(3)
Year	Cat/AIY	Fitted Cat/AIY
1980	0.4814	0.3905
1981	0.3125	0.4080
1982	0.5333	0.4255
1983	0.5967	0.4430
1984	0.4890	0.4605
1985	0.3878	0.4780
1986	0.2976	0.4956
1987	0.2416	0.5131
1988	0.2660	0.5306
1989	0.6302	0.5481
1990	0.7043	0.5656
1991	0.8077	0.5831
1992	0.7768	0.6006
1993	0.7078	0.6181
1994	0.7136	0.6357
1995	0.6354	0.6532
1996	0.8593	0.6707
1997	0.4167	0.6882
1998	0.8166	0.7057
1999	0.6956	0.7232
2000	0.8806	0.7407
2001	0.9355	0.7582
2002	0.6158	0.7758
2003	0.9931	0.7933
2004	0.3013	0.8108
2005	0.2840	0.8283
2006	0.6953	0.8458
2007	0.6297	0.8633
2008	1.1867	0.8808
2009	0.9302	0.8983
2010	1.0200	0.9159
2011	1.5679	0.9334
2012	0.8544	0.9509
2013	0.8365	0.9684
(4) Annual Trend:		2.6%
(5) Selected Trend:		2.0%

**Exhibit 5B**  
**State Farm Fire and Casualty Company**  
**Arkansas Homeowners**  
**Catastrophe Provision Development**

(1)	(2)	(3)	(4)	(5)
Year	CAT/AIY	Trend Factor [1+(6)]^[(7)-Year]	Trended Cat Ratio = (2) * (3)	Weight
1980	1.106	2.000	2.212	2.4%
1981	0.518	1.961	1.016	2.4%
1982	1.066	1.922	2.048	2.4%
1983	0.864	1.885	1.629	2.4%
1984	0.935	1.848	1.727	2.4%
1985	0.278	1.811	0.504	2.4%
1986	0.658	1.776	1.169	2.4%
1987	0.343	1.741	0.598	2.4%
1988	0.264	1.707	0.451	2.4%
1989	1.976	1.673	3.306	2.4%
1990	0.393	1.641	0.644	2.4%
1991	0.494	1.608	0.795	2.4%
1992	0.445	1.577	0.702	2.4%
1993	0.069	1.546	0.106	2.4%
1994	0.954	1.516	1.445	2.4%
1995	0.616	1.486	0.916	2.4%
1996	5.361	1.457	7.810	2.4%
1997	1.250	1.428	1.785	2.4%
1998	0.226	1.400	0.316	2.4%
1999	2.082	1.373	2.858	2.4%
2000	2.055	1.346	2.766	2.6%
2001	1.468	1.319	1.937	2.7%
2002	0.445	1.294	0.576	2.8%
2003	0.846	1.268	1.072	3.0%
2004	0.413	1.243	0.514	3.2%
2005	0.216	1.219	0.264	3.3%
2006	2.419	1.195	2.891	3.5%
2007	-0.071	1.172	-0.083	3.7%
2008	6.595	1.149	7.576	3.9%
2009	3.375	1.126	3.801	4.1%
2010	0.591	1.104	0.653	4.3%
2011	3.955	1.082	4.281	4.5%
2012	0.151	1.061	0.160	4.8%
2013	-0.028	1.040	-0.029	5.0%

(6) Projected Annual Trend (from Exhibit 5A): 2.0%  
(7) Projection Year 2015  
(8) Trended Catastrophe Ratio (Column (4) weighted by Column (5)): 1.7511

(2) Catastrophe Loss and LAE. Data reflects Accident Year (AY) data from 1980-89 and Calendar Year (CY) data for 1990 and after. CY data is preferable for newer years since the AY losses would potentially be underdeveloped. Adjustments have been made as needed to incorporate any significant changes in the distribution of our book of business.

(5) The latest year is given a weight of 5%, with each prior year receiving 5% less weight back to 2000. For the years 1980-99, the remainder of the distribution was spread evenly across the 20 year period.

Exhibit 6  
State Farm Fire and Casualty Company  
Arkansas Homeowners  
Underwriting Expense Exhibit

**I. Variable Expense Ratios As a Percent of Earned Premium**

<u>Calendar Year</u>	<u>Variable Expense Ratios</u>
2009	16.4%
2010	16.0
2011	15.7
2012	15.7
2013	15.8
3 Year Average	15.7
5 Year Average	15.9
Selected 2014	15.4
Selected 2015	15.4
Selected 2016	15.4
Selected 2017	15.4
<b>Selected at 3/1/2016</b>	<b>15.4%</b>
Variable Expense Per Policy 3/1/2016	\$171.82

**II. Fixed Expenses as Dollars Per Average Policy in Force**

<u>Calendar Year</u>	<u>Fixed Expense per Policy</u>
2009	\$90.86
2010	91.25
2011	96.21
2012	93.35
2013	96.42
Selected 2014	94.53
Selected 2015	95.75
Selected 2016	96.98
Selected 2017	98.23
<b>Selected at 3/1/2016</b>	<b>\$96.57</b>

**III. Total Expenses Per Policy in Force**

Total Variable Expense per policy:	\$171.82
Total Fixed Expense per policy:	<u>+ 96.57</u>
Total Expense per policy:	\$268.39

## Exhibit 7

### State Farm Fire and Casualty Company

### Provision for Underwriting Profit and Contingencies

The following analysis demonstrates that the provisions for underwriting profit and contingencies, together with expected investment income, will produce an expected total return after tax for State Farm which is reasonable compared to that earned by other industries of similar risk and will enable the company to serve the insurance needs of its policyholders. These earnings provide the only source of funds for its Policyholder Protection Fund (Surplus), which is essential to State Farm's continued growth and financial strength.

#### Total Financial Needs Analysis

- A. Property and Casualty insurance premiums traditionally include provisions for normally expected losses and expenses (including an estimate of expected catastrophe losses) and a combined provision for underwriting profit and contingencies. The contingency provision reflects an allowance in the rates for losses and expenses arising from events which cannot be reasonably foreseen or predicted. It thus represents an allowance for adverse fluctuations from the otherwise expected results. The underwriting profit provision reflects the expected difference between earned premiums and incurred losses, expenses, and contingencies. The need for a contingency element in the rates is generally accepted actuarially and recognized in nearly all rating laws. Over the long term, the contingency element will not be realized as an underwriting profit, but will be offset by unanticipated losses and expenses.

State Farm Fire and Casualty Company's direct underwriting profit, before federal taxes, has averaged -2.8%, -3.2% adjusted for catastrophes, (see Exhibit 7A, Columns (2) and (2a)) in the last twelve years (approximately two underwriting cycles). These results were generated during a period when filed rates generally included a combined provision for underwriting profit and contingencies averaging over 4% (in hurricane/earthquake states, additional risk provisions may also have been added). Based on the difference between our filed profit and contingencies provisions and our actual results, the contingency element has recently been averaging in excess of 2% of earned premium.

It is thus reasonable to expect that a 12.0% combined provision for **underwriting profit and contingencies** will produce an actual underwriting profit of no more than 10.0% on average.

- B. **Net Investment Income** (interest, dividends and real estate income) has declined as a percent of mean invested assets from 4.7% in 2002 to 3.3% in 2013 (see Exhibit 7D). Based on an analysis of these decreasing results, it is reasonable to expect a return of 3.5% on invested assets during the time the rates will be in effect.

**Capital Gains** have fluctuated between -7.6% and 6.1% of mean invested assets over the past twelve years (see Exhibit 7D), with a 12 year average of 0.7% and a 24 year average of 1.5%. The expected contribution of capital gains during the period rates will be in effect is 1.0% of invested assets.

As a result, the **Net Investment Yield** as a percent of invested assets is expected to be 4.5% during the time rates will be in effect.



**Exhibit 7**  
**(Continued)**  
**State Farm Fire and Casualty Company**

- C. **Other Income**, largely service charges for premium installment plans, has averaged 0.4% of earned premium during the past 12 years (see Exhibit 7A, Column (3)). The expected income during the time the rates will be in effect is 0.4%.
- D. All of these income sources combine to yield a total expected insurance operating profit of approximately 13.4% on earned premium, before tax, as summarized in the table on the following page. This includes the expected investment income attributable to unearned and advance premium reserves and that portion of loss and loss adjustment expense reserves resulting from policyholder supplied funds, as well as underwriting profit.

State Farm Fire and Casualty Company is exposed to large catastrophic losses. Some potential sources for such losses are earthquakes in the New Madrid and the Pacific Northwest areas as well as hurricanes striking the Hawaiian Islands, the Gulf coast, and the Mid-Atlantic coast. On a direct basis (absent of reinsurance), the State Farm Fire and Casualty Company would need capital of at least \$1.00 per dollar of premium to adequately protect its policyholders.

Allowing for the expected investment income attributable to the capital of \$100 per \$100 of premium, the expected total return, after tax, is 13.0% as demonstrated in the following table.

Taking into account the equity in the unearned and advance premium reserve, the expected total return is approximately 11.4% on a GAAP adjusted basis. An expected total return up to 18% is reasonable in comparison to current returns in other industries. Recent median returns reported in Business Week and Fortune magazine average around 11% on a GAAP adjusted basis.

Based on the foregoing, we conclude that a 12.0% combined provision for underwriting profit and contingencies can be expected to produce a reasonable total return during the time the projected rates are to be in effect. If the contingency provision is actually realized as a profit in any year, the expected total GAAP adjusted return increases to 12.6%. Such a result would still be reasonable and not excessive.

While a 10% underwriting profit provision is supported for the combined State Farm Fire and Casualty Company, we recognize that not all states and segments of business present the same amount of risk to the entire enterprise. For the perils covered in the non-Earthquake lines of business, Arkansas presents less risk from extreme catastrophe events than the combined State Farm Fire and Casualty Company. As a result, we have selected a targeted profit provision of 6%, which is lower than our combined companywide target. We have also selected a 2% contingency provision, which matches our companywide provision.

We expect an 8% combined provision for profit and contingencies to produce an actual underwriting profit of no more than 6%.

**Exhibit 7**  
**State Farm Fire and Casualty Company**  
**All Lines Combined**

**Expected Total Return**

Direct Premium = \$100

Assumed Capital for Policyholder Protection Fund = \$100

1) Expected Contribution from a 2% Provision for Contingencies: \$100 x 0.0% (Item A above)	\$ 0.00
2) Underwriting Profit Provision	\$ 10.00
3) Investment Income on Unearned Premium and Advance Premium Reserves \$100 x (Exhibit 7B, Line 7)	\$ 1.10
4) Investment Income on Loss and Loss Adjustment Expense Reserves \$100 x (Exhibit 7C, Line 6)	\$ 1.90
5) Other Income \$100 x (Item C above)	\$ 0.40
6) Expected Insurance Operating Profit, Before Tax Sum of 1–5	\$ 13.40
7) Investment Income on Policyholder Protection Fund \$100 x (Exhibit 7D, Selected Investment Yield)	\$ 4.50
8) Federal Income Tax equals greater of: (Lines 1 + 2 + 5) x 20% + (Lines 3 + 4 + 7) x (Exhibit 7E AMT Tax Rate) and (Lines 1 + 2 + 5) x 35% + (Lines 3 + 4 + 7) x (Exhibit 7E Reg Tax Rate)	\$ (4.93)
9) Expected Total Return Sum 6–8	\$ 12.97
10) Expected Total Return as a Percent of Policyholder Protection Fund Line 9 / \$100	13.0%
11) GAAP Adjusted Return Line 10 / (Exhibit 7F, Line 5)	11.4%

**Exhibit 7A**  
**State Farm Fire and Casualty Company**  
**All Lines Combined**

**Companywide Insurance Operations**

Year (1)	U/W Gain/Loss		Other Income (3)
	Actual (2)	Adjusted (2a)	
2002	-15.8%	-23.0%	0.2%
2003	7.6%	0.5%	0.5%
2004	17.4%	3.8%	0.4%
2005	-18.3%	2.1%	0.4%
2006	5.1%	-0.7%	0.5%
2007	4.1%	-5.4%	0.4%
2008	-20.0%	-9.1%	0.5%
2009	-5.0%	-8.3%	0.4%
2010	-2.4%	-2.3%	0.4%
2011	-18.2%	-2.2%	0.4%
2012	-0.1%	2.3%	0.4%
2013	11.8%	4.3%	0.6%
Mean	-2.8%	-3.2%	0.4%
Std Dev	12.8%	7.6%	0.1%

All Columns are percentages of earned premium.

All Columns are percentages before federal taxes.

- (2) Insurance Expense Exhibit, Part III, Column 3 less Columns 7, 9, 11, 23, 25, 27, and 29; Line 35 less Lines 2.2, 2.3, 19, and 21 divided by Insurance Expense Exhibit, Part III, Column 3, Line 35 less Lines 2.2, 2.3, 19, and 21 plus Change in Prepaid Expenses and Miscellaneous Changes Related to Insurance Operations.
- (2a) Equals Column (2) adjusted to smooth for the effects of catastrophe losses. Actual catastrophe losses are removed and replaced with the losses contemplated in our current catastrophe provision.
- (3) Insurance Expense Exhibit, Part III, Column 31, Line 35 less Lines 2.2, 2.3, 19, and 21 divided by Column 3, Line 35 less Lines 2.2, 2.3, 19, and 21, excluding insurance department fines, penalties, and miscellaneous income.

**Exhibit 7B**  
**State Farm Fire and Casualty Company**  
**All Lines Combined**

**Estimated Investment Income from Reserve for  
Unearned Premium and Advance Premiums**

<b>(1) Mean Reserve for Unearned Premium and Advance Premiums, as a Ratio to Earned Premium</b>	<b>All Lines</b>
(a) 2011	0.5283
(b) 2012	0.5318
(c) 2013	0.5298
(d) 3 Year Average	0.5300
 <b>(2) Delayed Remission of Premiums</b>	
Ratio of Agents' Balances or Uncollected Premium to Unearned Premium and Advance Premiums	27.7%
 <b>(3) Expenses Incurred at Beginning of Policy Term (as a % of Written Premium)</b>	
(a) Commissions and Other Acquisition Expenses	21.2%
(b) 50% of General Expenses	1.3%
(c) Taxes	2.5%
(d) Total	25.0%
 <b>(4) Mean Unearned Premium and Advance Premium Reserve Adjusted for Agents' Balances, Uncollected Premiums, and Prepaid Expenses</b>	
$= (1d) \times [ 1.000 - (2) - (3d) ]$	0.2506
 <b>(5) Adjusted for Tax on Prepaid Expenses</b>	
$= (4) - (1d) \times 4.0\% \times 20\% \times 35\%$	0.2491
 <b>(6) Investment Yield, before Tax</b>	
	4.5%
 <b>(7) Investment Income, as a % of Earned Premium</b>	
$= (5) \times (6)$	1.1%

**DATA SOURCES:**

- Item 1 – Insurance Expense Exhibit, Part III, Columns 3 and 19; Line 35 less Lines 2.2, 2.3, 19, and 21 plus Annual Statement, Page 3, Line 10
- Item 2 – Insurance Expense Exhibit, Part III, Columns 19 and 21; Line 35 less Lines 2.2, 2.3, 19, and 21 plus Annual Statement, Page 3, Line 10
- Item 3 – Insurance Expense Exhibits 2011 – 2013 (three year average of the mean ratios)
- Item 5 – Assumes the unearned premium reserve will increase at a growth rate of 4.0%; 20% is the IRS prepaid expense factor; 35% is the current effective tax rate on underwriting income.
- Item 6 – From Exhibit 7D

**Exhibit 7C**  
**State Farm Fire and Casualty Company**  
**All Lines Combined**

**Estimated Investment Income from Reserve for  
Losses and Loss Adjustment Expenses**

<b>(1) Mean Reserve for Losses and Loss Adjustment Expense, as a Ratio to Incurred Losses and Loss Adjustment Expenses</b>	<b>All Lines</b>
(a) 2009	0.6813
(b) 2010	0.6619
(c) 2011	0.5605
(d) 2012	0.6607
(e) 2013	0.7489
(f) 5 Year Average	0.6627
<b>(2) Permissible Loss and Loss Adjustment Expense (% Earned Premium)</b> = (1.000 – Expense Ratio – Underwriting Profit Provision)	63.0%
<b>(3) Mean Reserves for Losses and Loss Adjustment Expense as a Ratio to Earned Premium</b> = (2) * (1f)	0.4175
<b>(4) Adjusted for Tax on Discounted Reserves</b> = (3) × [ 1.0 – ( 4.0% × 3.5% × 35% ) ]	0.4173
<b>(5) Investment Yield, before Tax</b>	4.5%
<b>(6) Estimated Investment Income from Losses and Loss Adjustment Expense Reserves (as a % of Earned Premium)</b> = (4) × (5)	1.9%

**DATA SOURCES:**

Item 1 – Insurance Expense Exhibit, Part III, Columns 7, 9, 11, 13, 15, and 17; Line 35 less Lines 2.2, 2.3, 19, and 21.

Item 2 – 1.0 minus provision for expenses and underwriting profit. Expense provision is the latest five year average of commissions, other acquisition, general expenses, and taxes, licenses, and fees from the Insurance Expense Exhibit.

Item 4 – To recognize tax resulting from discounting of reserves; 4.0% is the estimated growth in loss reserves; 3.5% is the average discount of reserves; 35% is the current effective tax rate on underwriting income.

Item 5 – From Exhibit 7D

**Exhibit 7D**  
**State Farm Fire and Casualty Company**  
**All Lines Combined**

**Investment Rate of Return**  
**As a Percent of Mean Invested Assets**

Year	Net Investment Income	Capital Gain/Loss
2002	4.7%	-7.6%
2003	4.6%	6.1%
2004	4.4%	1.3%
2005	4.5%	0.2%
2006	4.5%	3.0%
2007	4.3%	1.5%
2008	4.3%	-6.1%
2009	4.1%	2.6%
2010	3.8%	1.0%
2011	3.9%	0.5%
2012	3.7%	1.7%
2013	3.3%	4.3%

(1) Latest 24 Year Average	5.2%	1.5%
(2) Latest 12 Year Average	4.2%	0.7%
(3) Latest Six Year Average	3.8%	0.7%

(4) Selected Yield for 2014	3.5%	1.0%
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(5) Selected Investment Yield	<b>4.5%</b>
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= Sum of Line 4 (Net Investment Income + Capital Gain/Loss)

**Data Source:** Annual Statement, Pages 2 and 12

**Exhibit 7E**  
**State Farm Fire and Casualty Company**  
**All Lines Combined**

**Average Federal Tax Rate on Investment Income**

Investment Type	Investment Income 2011 – 2013	Distribution	Current Tax Rate	
			Regular	AMT
Bonds (Taxable)	\$1,019,543,135	36.0%	35.0%	20.0%
Bonds (Tax Exempt)	1,429,205,186	50.5%	5.3%	15.8%
Stocks (Unaffiliated)	380,083,142	13.4%	14.2%	17.0%
Other (Net of Depreciation)	2,313,697	0.1%	35.0%	20.0%
<b>Total</b>	<b>\$2,831,145,160</b>		<b>17.2%</b>	<b>17.5%</b>

**Item Sources:**

Annual Statement, Page 12, Exhibit of Net Investment Income

**Current Tax Rate computed according to the 1986 Tax Reform Act, as amended:**

Under this Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thirty percent of stock dividends are taxed at 35% and seventy percent are taxed at 15% of 35%.

Thus, the estimated effective tax rate will be:

Ordinary Income	35.0%	
Tax Exempt Bonds	5.3%	= $0.15 \times 35\%$
Stock Dividends	14.2%	= $[ 0.30 + ( 0.70 \times 0.15 ) ] \times 35\%$

**AMT is computed according to the 1986 Tax Reform Act Alternative Minimum Tax:**

Under the Alternative Minimum Tax, a rate of 20% applies to the sum of regular tax income and 75% of tax exempt income. The estimated effective AMT will be:

Ordinary Income	20.0%	
Tax Exempt Bonds	15.8%	= $[ 0.15 + ( 0.85 \times 0.75 ) ] \times 20\%$
Stock Dividends	17.0%	= $[ 0.30 + 0.70 \times ( 0.15 + [ 0.85 \times 0.75 ] ) ] \times 20\%$

**Exhibit 7F**  
**State Farm Fire and Casualty Company**  
**All Lines Combined**

**Expected Total Return - Adjustment to GAAP**

Item	Amt (000's)	Source
(1) 12/31/2013 Assumed Policyholder Protection Fund	\$15,943,121	(f) × Leverage Ratio ( \$1.00 Capital : \$1.00 WP )
(2) Non-Admitted Assets	48,427	Annual Statement Page 13, Line 28, Column 1
(3) Equity in Unearned Premium and Advanced Premium Reserves	2,081,238	(h)
(4) Total Adjustments	2,129,665	(2) + (3)
(5) GAAP Surplus Adjustment Factor	1.1336	[ (4) + (1) ] / (1)

**Calculation of Equity in the Unearned Premium and Advance Premium Reserves**

Item	Amt (000's)	Source
(a) Commissions and Brokerage Expense Incurred	\$2,348,821	IEE, Part III Column 23: Line 35 – ( Lines 2.2 + 2.3 + 19 + 21 ) + IEE, Part I Column 2: Line 3
(b) Taxes, License & Fees Incurred	399,952	IEE, Part III Column 25: Line 35 – ( Lines 2.2 + 2.3 + 19 + 21 )
(c) Other Acquisition Expenses Incurred	980,612	IEE, Part III Column 27: Line 35 – ( Lines 2.2 + 2.3 + 19 + 21 ) – IEE, Part I Column 2: Line 3
(d) General Expenses Incurred	406,747	IEE, Part III Column 29: Line 35 – ( Lines 2.2 + 2.3 + 19 + 21 )
(e) Underwriting (Prepaid) Expenses Incurred	3,932,759	(a) + (b) + (c) + 1/2 (d)
(f) 2013 Written Premium	15,943,121	IEE, Part III Column 1: Line 35 – ( Lines 2.2 + 2.3 + 19 + 21 )
(g) 2013 Ending Unearned Premium and Advance Premium Reserves	8,437,189	IEE, Part III Column 19: Line 35 – ( Lines 2.2 + 2.3 + 19 + 21 ) plus Annual Statement Page 3, Line 10, Column 1
(h) Equity in the Unearned Premium and Advance Premium Reserves	2,081,238	(g) × [ (e) / (f) ]



**Exhibit 8**  
**State Farm Fire and Casualty Company**  
**Arkansas Total Homeowners**  
**Gross Underwriting Profit or Loss on a Statutory Basis**

Arkansas						
Year	Earned Premium	Non-Cat Loss Ratio	Catastrophe Loss Ratio	Total Loss Ratio	Expense Ratio	Actual Combined Ratio
2009	120,726,232	66.5%	59.5%	126.0%	27.6%	153.5%
2010	132,051,514	57.4%	9.8%	67.3%	24.9%	92.2%
2011	142,030,260	59.3%	62.1%	121.5%	26.0%	147.4%
2012	149,764,847	54.3%	2.3%	56.6%	25.4%	82.1%
2013	161,482,450	44.8%	-0.4%	44.3%	25.5%	69.9%
09-13	706,055,303	55.8%	24.9%	80.7%	25.8%	106.5%

Companywide						
Year	Earned Premium	Non-Cat Loss Ratio	Catastrophe Loss Ratio	Total Loss Ratio	Expense Ratio	Actual Combined Ratio
2009	12,747,083,924	55.1%	24.4%	79.5%	27.1%	106.6%
2010	13,643,927,641	48.7%	26.3%	75.0%	26.5%	101.5%
2011	14,106,982,278	45.9%	40.7%	86.6%	26.3%	113.0%
2012	14,257,079,346	45.5%	26.9%	72.4%	25.9%	98.4%
2013	14,821,246,951	41.9%	18.4%	60.3%	25.9%	86.2%
09-13	69,576,320,140	47.2%	27.3%	74.5%	26.3%	100.9%

Expense Ratios include Agents' Commissions, Taxes, Other Acquisition and General Expenses.

Loss Ratios include Adjustment Expense.

Totals may not add due to rounding.

**Exhibit 9**  
**State Farm Fire and Casualty Company**  
**Arkansas Total Homeowners**  
**Indicated Rate Level Adjustment By Form**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Form	Credibility Weighted Current Level Non-Cat Loss Ratio	Form Catastrophe Provision as a Percent of Premium	2013 Fixed Expense Ratio	Total Formula Ratio	Index to Total	Selected Index	Index Adjusted For Off Balance	Form Indicated Rate Level Adjustment
Homeowners	50.5%	26.7%	9.0%	86.2%	1.0041	1.0041	1.0022	5.8%
Renters	69.3%	2.8%	9.2%	81.2%	0.9462	0.9462	0.9445	-0.3%
Condo Unit Owners	67.9%	6.2%	8.9%	82.9%	0.9657	0.9657	0.9639	1.8%
Total Homeowners	51.1%	25.7%	9.0%	85.9%	1.0019	1.0019	1.0000	5.6%

Column Explanations:

- (2) Calendar years 2009 - 2013 Non-Cat Incurred Loss and Loss Adjustment Expenses Divided by 2009 - 2013 AIY Multiplied by 2013 AIY Divided by 2013 Current Level Premium adjusted for credibility.
- (3) Catastrophe provision/AIY divided by 2013 Current Level Premium/AIY. The individual forms are derived from the statewide provision, which is developed in Exhibit 5.
- (4) 2013 Fixed Expenses divided by 2013 Current Level Premium.
- (5) Col (2) + Col (3) + Col (4)
- (6) Col (5) divided by Total Col (5). Total Col (6) Weighted by 2013 Current Level Premium.
- (7) Total Col (7) Weighted by 2013 Current Level Premium.
- (8) Col (7) divided by Total Col (7).
- (9) Total Col (9) indicated Rate Level Adjustment is from Exhibit 1.  
 $((1 + \text{Total Col (9)}) \times \text{Col (8)}) - 1$

**Exhibit 10**  
**State Farm Fire and Casualty Company**  
**Arkansas Non-Tenant Homeowners**  
**Current and Revised Subzone Change by ZIP**

ZIP	Zone	Current Subzone	Revised Subzone	Subzone Change
71256	25	10	10	0.0%
71601	25	13	11	-9.3%
71602	25	09	09	0.0%
71603	25	12	10	-9.3%
71612	25	09	09	0.0%
71613	25	12	10	-9.3%
71630	25	14	12	-9.3%
71631	25	14	12	-9.3%
71635	25	14	12	-9.3%
71638	25	13	11	-9.3%
71639	25	12	11	-4.8%
71640	25	18	16	-9.3%
71642	25	17	15	-9.3%
71643	25	14	12	-9.3%
71644	25	14	12	-9.3%
71646	25	14	12	-9.3%
71647	25	15	13	-9.3%
71651	25	13	11	-9.3%
71652	25	14	12	-9.3%
71653	25	15	13	-9.3%
71654	25	13	11	-9.3%
71655	25	09	09	0.0%
71656	25	10	10	0.0%
71657	25	09	09	0.0%
71658	25	15	13	-9.3%
71659	25	13	11	-9.3%
71660	25	13	11	-9.3%
71661	25	16	14	-9.3%
71662	25	10	09	-4.8%
71663	25	16	14	-9.3%
71665	25	14	12	-9.3%
71666	25	10	10	0.0%
71667	25	14	12	-9.3%
71670	25	13	11	-9.3%
71671	25	12	10	-9.3%
71674	25	14	12	-9.3%
71675	25	12	10	-9.3%
71676	25	15	13	-9.3%
71677	25	15	13	-9.3%
71678	25	16	14	-9.3%
71701	25	10	09	-4.8%
71711	25	10	09	-4.8%
71720	25	11	11	0.0%
71721	25	09	09	0.0%
71722	25	10	10	0.0%
71724	25	08	08	0.0%
71725	25	14	12	-9.3%
71726	25	12	11	-4.8%
71728	25	09	09	0.0%
71730	25	08	08	0.0%

**Exhibit 10**  
**State Farm Fire and Casualty Company**  
**Arkansas Non-Tenant Homeowners**  
**Current and Revised Subzone Change by ZIP**

ZIP	Zone	Current Subzone	Revised Subzone	Subzone Change
71740	25	08	09	5.0%
71742	25	12	10	-9.3%
71743	25	09	09	0.0%
71744	25	13	11	-9.3%
71745	25	14	14	0.0%
71747	25	14	12	-9.3%
71748	25	15	13	-9.3%
71749	25	10	10	0.0%
71750	25	08	08	0.0%
71751	25	13	11	-9.3%
71752	25	10	10	0.0%
71753	25	08	09	5.0%
71754	25	08	09	5.0%
71758	25	11	09	-9.3%
71759	25	08	08	0.0%
71762	25	08	08	0.0%
71763	25	13	11	-9.3%
71764	25	10	10	0.0%
71765	25	11	10	-4.8%
71766	25	13	11	-9.3%
71769	25	10	10	0.0%
71770	25	08	09	5.0%
71801	25	10	10	0.0%
71802	25	10	10	0.0%
71820	25	11	10	-4.8%
71822	25	11	10	-4.8%
71823	25	14	12	-9.3%
71825	25	14	12	-9.3%
71826	25	12	10	-9.3%
71827	25	07	09	10.2%
71828	25	11	11	0.0%
71831	25	14	12	-9.3%
71832	25	12	10	-9.3%
71833	25	11	11	0.0%
71834	25	14	12	-9.3%
71835	25	11	11	0.0%
71836	25	12	10	-9.3%
71837	25	13	11	-9.3%
71838	25	13	11	-9.3%
71839	25	10	10	0.0%
71840	25	13	11	-9.3%
71841	25	14	12	-9.3%
71842	25	13	11	-9.3%
71845	25	09	09	0.0%
71846	25	14	12	-9.3%
71847	25	16	14	-9.3%
71851	25	14	12	-9.3%
71852	25	13	11	-9.3%
71853	25	11	10	-4.8%
71854	25	11	10	-4.8%

**Exhibit 10**  
**State Farm Fire and Casualty Company**  
**Arkansas Non-Tenant Homeowners**  
**Current and Revised Subzone Change by ZIP**

ZIP	Zone	Current Subzone	Revised Subzone	Subzone Change
71855	25	14	12	-9.3%
71857	25	11	11	0.0%
71858	25	12	10	-9.3%
71859	25	14	12	-9.3%
71860	25	07	09	10.2%
71861	25	10	09	-4.8%
71862	25	13	11	-9.3%
71864	25	12	10	-9.3%
71865	25	12	12	0.0%
71866	25	14	12	-9.3%
71901	10	08	10	10.3%
71902	10	08	10	10.3%
71903	10	08	10	10.3%
71909	10	09	10	5.0%
71910	10	09	10	5.0%
71913	10	10	11	5.0%
71914	10	10	11	5.0%
71920	25	13	11	-9.3%
71921	25	13	11	-9.3%
71922	25	13	11	-9.3%
71923	25	09	09	0.0%
71929	25	08	08	0.0%
71933	25	09	09	0.0%
71935	10	15	15	0.0%
71937	10	14	13	-4.8%
71940	25	13	11	-9.3%
71941	25	12	10	-9.3%
71942	25	11	11	0.0%
71943	25	12	10	-9.3%
71944	10	15	13	-9.3%
71945	10	15	13	-9.3%
71949	10	10	11	5.0%
71950	25	16	14	-9.3%
71952	25	16	14	-9.3%
71953	10	15	13	-9.3%
71956	10	10	11	5.0%
71957	10	15	13	-9.3%
71958	25	15	13	-9.3%
71959	25	16	14	-9.3%
71960	10	17	15	-9.3%
71961	10	18	16	-9.3%
71962	25	13	11	-9.3%
71964	10	11	11	0.0%
71965	10	19	17	-9.3%
71968	10	12	12	0.0%
71969	10	19	17	-9.3%
71970	10	15	13	-9.3%
71971	25	14	12	-9.3%
71972	10	15	13	-9.3%
71973	10	14	13	-4.8%

**Exhibit 10**  
**State Farm Fire and Casualty Company**  
**Arkansas Non-Tenant Homeowners**  
**Current and Revised Subzone Change by ZIP**

ZIP	Zone	Current Subzone	Revised Subzone	Subzone Change
71998	25	10	10	0.0%
71999	25	09	09	0.0%
72001	10	16	14	-9.3%
72002	25	09	09	0.0%
72003	25	12	11	-4.8%
72004	25	13	11	-9.3%
72005	30	14	12	-9.3%
72006	30	13	11	-9.3%
72007	25	10	09	-4.8%
72010	30	12	10	-9.3%
72011	25	09	09	0.0%
72012	30	09	08	-4.7%
72013	30	13	11	-9.3%
72014	30	14	14	0.0%
72015	25	09	09	0.0%
72016	10	14	13	-4.8%
72017	25	16	14	-9.3%
72018	25	09	09	0.0%
72019	25	12	10	-9.3%
72020	30	13	11	-9.3%
72021	25	13	11	-9.3%
72022	25	08	08	0.0%
72023	25	07	08	5.0%
72024	25	14	12	-9.3%
72025	10	16	14	-9.3%
72026	25	13	11	-9.3%
72027	30	13	11	-9.3%
72028	30	13	13	0.0%
72029	25	12	10	-9.3%
72030	30	12	10	-9.3%
72031	30	09	09	0.0%
72032	30	09	08	-4.7%
72033	30	09	08	-4.7%
72034	30	07	07	0.0%
72035	30	04	04	0.0%
72036	30	13	11	-9.3%
72037	25	16	14	-9.3%
72038	25	12	10	-9.3%
72039	30	14	12	-9.3%
72040	25	13	11	-9.3%
72041	25	14	12	-9.3%
72042	25	12	10	-9.3%
72043	30	14	12	-9.3%
72044	30	09	09	0.0%
72045	30	13	11	-9.3%
72046	25	16	14	-9.3%
72047	30	15	13	-9.3%
72048	25	16	14	-9.3%
72051	30	12	10	-9.3%
72052	30	09	09	0.0%

**Exhibit 10**  
**State Farm Fire and Casualty Company**  
**Arkansas Non-Tenant Homeowners**  
**Current and Revised Subzone Change by ZIP**

ZIP	Zone	Current Subzone	Revised Subzone	Subzone Change
72053	25	14	12	-9.3%
72055	25	14	12	-9.3%
72057	25	13	11	-9.3%
72058	30	13	11	-9.3%
72059	30	13	11	-9.3%
72060	30	11	09	-9.3%
72061	30	13	11	-9.3%
72063	30	11	10	-4.8%
72064	25	15	13	-9.3%
72065	25	16	14	-9.3%
72066	25	14	12	-9.3%
72067	30	07	07	0.0%
72068	30	09	09	0.0%
72069	25	16	14	-9.3%
72070	10	11	12	5.0%
72072	25	11	10	-4.8%
72073	25	12	10	-9.3%
72074	30	13	11	-9.3%
72075	30	14	12	-9.3%
72076	25	08	07	-4.7%
72078	25	08	07	-4.7%
72079	25	11	11	0.0%
72080	30	11	11	0.0%
72081	30	12	10	-9.3%
72082	30	10	09	-4.8%
72083	25	16	14	-9.3%
72084	25	11	11	0.0%
72085	30	11	09	-9.3%
72086	25	13	11	-9.3%
72087	25	12	10	-9.3%
72088	30	07	07	0.0%
72089	25	08	08	0.0%
72099	25	06	07	5.0%
72101	30	11	10	-4.8%
72102	30	10	08	-9.3%
72103	25	12	11	-4.8%
72104	25	08	09	5.0%
72105	25	10	10	0.0%
72106	30	09	09	0.0%
72107	30	06	07	5.0%
72108	25	13	11	-9.3%
72110	30	08	08	0.0%
72111	30	15	13	-9.3%
72112	30	14	12	-9.3%
72113	25	10	08	-9.3%
72114	25	07	07	0.0%
72115	25	07	07	0.0%
72116	25	08	08	0.0%
72117	25	08	08	0.0%
72118	25	09	08	-4.7%

**Exhibit 10**  
**State Farm Fire and Casualty Company**  
**Arkansas Non-Tenant Homeowners**  
**Current and Revised Subzone Change by ZIP**

ZIP	Zone	Current Subzone	Revised Subzone	Subzone Change
72119	25	07	07	0.0%
72120	25	07	07	0.0%
72121	30	09	09	0.0%
72122	25	11	10	-4.8%
72123	30	11	10	-4.8%
72124	25	07	07	0.0%
72125	10	15	13	-9.3%
72126	10	13	12	-4.7%
72127	30	06	07	5.0%
72128	25	13	11	-9.3%
72129	25	11	11	0.0%
72130	30	09	09	0.0%
72131	30	09	08	-4.7%
72132	25	10	11	5.0%
72133	25	14	14	0.0%
72134	25	15	13	-9.3%
72135	25	10	10	0.0%
72136	30	13	11	-9.3%
72137	30	09	09	0.0%
72139	30	12	10	-9.3%
72140	25	14	12	-9.3%
72141	30	13	11	-9.3%
72142	25	16	14	-9.3%
72143	30	11	09	-9.3%
72145	30	11	09	-9.3%
72149	30	10	10	0.0%
72150	25	08	09	5.0%
72152	25	10	10	0.0%
72153	30	08	08	0.0%
72156	30	13	11	-9.3%
72157	30	12	10	-9.3%
72160	25	11	10	-4.8%
72164	25	14	12	-9.3%
72165	13	13	11	-9.3%
72166	25	13	12	-4.7%
72167	25	12	11	-4.8%
72168	25	11	11	0.0%
72169	30	14	12	-9.3%
72170	25	14	12	-9.3%
72173	30	12	10	-9.3%
72175	25	13	11	-9.3%
72176	25	08	08	0.0%
72178	30	11	09	-9.3%
72179	30	09	09	0.0%
72180	25	16	14	-9.3%
72181	30	13	11	-9.3%
72182	25	11	11	0.0%
72183	25	14	12	-9.3%
72190	25	08	08	0.0%
72199	25	08	08	0.0%



**Exhibit 10**  
**State Farm Fire and Casualty Company**  
**Arkansas Non-Tenant Homeowners**  
**Current and Revised Subzone Change by ZIP**

ZIP	Zone	Current Subzone	Revised Subzone	Subzone Change
72201	25	08	08	0.0%
72202	25	07	08	5.0%
72204	25	09	09	0.0%
72205	25	06	08	10.2%
72206	25	14	12	-9.3%
72207	25	06	07	5.0%
72209	25	11	10	-4.8%
72210	25	09	09	0.0%
72211	25	04	06	10.2%
72212	25	06	07	5.0%
72214	25	09	09	0.0%
72215	25	06	08	10.2%
72216	25	14	12	-9.3%
72217	25	06	07	5.0%
72219	25	11	10	-4.8%
72222	25	06	07	5.0%
72223	25	08	08	0.0%
72225	25	06	08	10.2%
72227	25	07	07	0.0%
72301	25	11	10	-4.8%
72303	25	11	10	-4.8%
72310	25	18	18	0.0%
72311	25	18	18	0.0%
72312	25	16	14	-9.3%
72313	25	18	18	0.0%
72315	25	20	18	-9.3%
72319	25	20	18	-9.3%
72320	25	10	12	10.3%
72321	25	10	10	0.0%
72322	25	13	12	-4.7%
72324	25	19	17	-9.3%
72325	25	14	12	-9.3%
72326	25	13	12	-4.7%
72327	25	16	14	-9.3%
72328	25	17	15	-9.3%
72329	25	10	10	0.0%
72330	25	21	19	-9.3%
72331	25	15	13	-9.3%
72332	25	16	14	-9.3%
72333	25	16	14	-9.3%
72335	25	12	11	-4.8%
72336	25	12	11	-4.8%
72338	25	18	18	0.0%
72339	25	14	14	0.0%
72340	25	15	15	0.0%
72341	25	13	12	-4.7%
72342	25	17	15	-9.3%
72346	25	17	15	-9.3%
72347	25	15	13	-9.3%
72348	25	12	11	-4.8%

**Exhibit 10**  
**State Farm Fire and Casualty Company**  
**Arkansas Non-Tenant Homeowners**  
**Current and Revised Subzone Change by ZIP**

ZIP	Zone	Current Subzone	Revised Subzone	Subzone Change
72350	25	19	17	-9.3%
72351	25	21	19	-9.3%
72352	25	16	14	-9.3%
72353	25	16	14	-9.3%
72354	25	18	16	-9.3%
72355	25	16	14	-9.3%
72358	25	22	20	-9.4%
72359	25	12	11	-4.8%
72360	25	13	12	-4.7%
72364	25	12	10	-9.3%
72365	25	18	16	-9.3%
72366	25	16	14	-9.3%
72367	25	15	13	-9.3%
72368	25	16	14	-9.3%
72369	25	13	13	0.0%
72370	25	20	18	-9.3%
72372	25	12	12	0.0%
72373	25	15	13	-9.3%
72374	25	16	14	-9.3%
72376	25	16	14	-9.3%
72379	25	20	18	-9.3%
72383	25	16	14	-9.3%
72384	25	14	12	-9.3%
72386	25	18	16	-9.3%
72387	25	13	11	-9.3%
72389	25	13	13	0.0%
72390	25	16	14	-9.3%
72391	25	20	18	-9.3%
72392	25	13	11	-9.3%
72394	25	11	10	-4.8%
72395	25	21	19	-9.3%
72396	25	13	11	-9.3%
72401	30	08	08	0.0%
72402	30	08	08	0.0%
72404	30	11	09	-9.3%
72410	30	11	10	-4.8%
72411	30	08	08	0.0%
72412	30	14	12	-9.3%
72413	30	11	11	0.0%
72414	30	10	10	0.0%
72415	30	10	10	0.0%
72416	30	06	08	10.2%
72417	30	08	09	5.0%
72419	30	15	13	-9.3%
72421	30	12	10	-9.3%
72422	30	14	12	-9.3%
72424	30	14	12	-9.3%
72425	30	14	12	-9.3%
72426	25	21	21	0.0%
72427	30	12	10	-9.3%

**Exhibit 10**  
**State Farm Fire and Casualty Company**  
**Arkansas Non-Tenant Homeowners**  
**Current and Revised Subzone Change by ZIP**

ZIP	Zone	Current Subzone	Revised Subzone	Subzone Change
72428	25	22	20	-9.4%
72429	25	17	15	-9.3%
72430	30	15	13	-9.3%
72431	30	14	12	-9.3%
72432	25	14	12	-9.3%
72433	30	12	10	-9.3%
72434	30	09	10	5.0%
72435	30	14	12	-9.3%
72436	30	13	12	-4.7%
72437	30	07	08	5.0%
72438	25	20	18	-9.3%
72439	30	06	08	10.2%
72440	30	11	11	0.0%
72441	30	15	15	0.0%
72442	25	19	17	-9.3%
72443	30	14	12	-9.3%
72444	30	14	12	-9.3%
72445	30	13	13	0.0%
72447	30	14	12	-9.3%
72449	30	12	12	0.0%
72450	30	13	11	-9.3%
72451	30	13	11	-9.3%
72453	30	14	12	-9.3%
72454	30	16	14	-9.3%
72455	30	10	10	0.0%
72456	30	18	16	-9.3%
72457	30	10	10	0.0%
72458	30	11	10	-4.8%
72459	30	09	10	5.0%
72460	30	11	11	0.0%
72461	30	15	13	-9.3%
72462	30	11	11	0.0%
72464	30	17	17	0.0%
72465	30	10	10	0.0%
72466	30	11	10	-4.8%
72467	30	13	13	0.0%
72469	30	10	10	0.0%
72470	30	16	14	-9.3%
72471	30	12	10	-9.3%
72472	25	13	11	-9.3%
72473	30	12	10	-9.3%
72474	30	13	11	-9.3%
72475	25	17	15	-9.3%
72476	30	09	09	0.0%
72478	30	11	10	-4.8%
72479	25	15	13	-9.3%
72482	13	11	11	0.0%
72501	13	09	10	5.0%
72512	13	08	10	10.3%
72513	13	09	11	10.3%

**Exhibit 10**  
**State Farm Fire and Casualty Company**  
**Arkansas Non-Tenant Homeowners**  
**Current and Revised Subzone Change by ZIP**

ZIP	Zone	Current Subzone	Revised Subzone	Subzone Change
72515	13	12	12	0.0%
72517	13	14	14	0.0%
72519	13	12	12	0.0%
72520	13	09	11	10.3%
72521	13	09	10	5.0%
72522	13	12	12	0.0%
72523	30	11	09	-9.3%
72524	13	13	11	-9.3%
72525	13	08	10	10.3%
72526	13	09	10	5.0%
72527	13	11	11	0.0%
72528	13	13	13	0.0%
72529	13	08	10	10.3%
72530	30	10	08	-9.3%
72531	13	13	12	-4.7%
72532	13	10	11	5.0%
72533	30	15	13	-9.3%
72534	13	12	10	-9.3%
72536	13	12	12	0.0%
72537	10	10	12	10.3%
72538	13	12	12	0.0%
72539	13	10	11	5.0%
72540	13	17	15	-9.3%
72542	13	10	11	5.0%
72543	30	07	07	0.0%
72544	10	10	12	10.3%
72546	30	09	08	-4.7%
72550	13	12	11	-4.8%
72553	13	10	10	0.0%
72554	13	09	11	10.3%
72555	30	13	11	-9.3%
72556	13	17	15	-9.3%
72560	30	15	13	-9.3%
72561	13	12	11	-4.8%
72562	13	09	10	5.0%
72564	13	08	10	10.3%
72565	13	13	13	0.0%
72566	13	14	12	-9.3%
72567	30	13	11	-9.3%
72568	13	13	11	-9.3%
72569	13	13	12	-4.7%
72571	13	13	12	-4.7%
72572	30	13	11	-9.3%
72573	13	12	12	0.0%
72575	13	09	10	5.0%
72576	13	07	09	10.2%
72577	13	13	11	-9.3%
72578	13	14	13	-4.8%
72579	13	12	11	-4.8%
72581	30	09	08	-4.7%

**Exhibit 10**  
**State Farm Fire and Casualty Company**  
**Arkansas Non-Tenant Homeowners**  
**Current and Revised Subzone Change by ZIP**

ZIP	Zone	Current Subzone	Revised Subzone	Subzone Change
72583	13	11	11	0.0%
72584	13	12	12	0.0%
72585	13	15	13	-9.3%
72587	13	10	10	0.0%
72601	10	12	12	0.0%
72602	10	12	12	0.0%
72610	30	10	10	0.0%
72611	10	12	12	0.0%
72613	10	10	12	10.3%
72615	10	12	12	0.0%
72616	10	13	13	0.0%
72617	10	19	17	-9.3%
72619	10	12	12	0.0%
72623	10	13	13	0.0%
72624	30	12	10	-9.3%
72626	10	12	12	0.0%
72628	30	13	11	-9.3%
72629	30	12	11	-4.8%
72630	10	13	13	0.0%
72631	10	10	12	10.3%
72632	10	10	12	10.3%
72633	10	13	12	-4.7%
72634	10	12	12	0.0%
72635	10	09	11	10.3%
72636	30	11	09	-9.3%
72638	10	14	13	-4.8%
72639	30	14	12	-9.3%
72640	30	12	10	-9.3%
72641	30	12	10	-9.3%
72642	10	10	12	10.3%
72644	10	13	13	0.0%
72645	30	12	11	-4.8%
72648	30	11	11	0.0%
72650	30	13	11	-9.3%
72651	10	10	12	10.3%
72653	10	10	12	10.3%
72654	10	10	12	10.3%
72655	30	13	11	-9.3%
72658	10	14	14	0.0%
72660	10	12	12	0.0%
72661	10	12	13	5.0%
72662	10	15	13	-9.3%
72663	30	14	12	-9.3%
72666	30	12	12	0.0%
72668	10	11	12	5.0%
72669	30	12	10	-9.3%
72670	30	12	10	-9.3%
72672	10	12	12	0.0%
72675	30	11	09	-9.3%
72677	10	12	12	0.0%

**Exhibit 10**  
**State Farm Fire and Casualty Company**  
**Arkansas Non-Tenant Homeowners**  
**Current and Revised Subzone Change by ZIP**

<b>ZIP</b>	<b>Zone</b>	<b>Current Subzone</b>	<b>Revised Subzone</b>	<b>Subzone Change</b>
72679	30	13	13	0.0%
72680	30	13	11	-9.3%
72682	10	14	14	0.0%
72683	30	13	11	-9.3%
72685	30	10	08	-9.3%
72686	30	13	12	-4.7%
72687	10	12	12	0.0%
72701	10	11	11	0.0%
72702	10	10	11	5.0%
72703	10	10	11	5.0%
72704	10	10	11	5.0%
72711	10	11	11	0.0%
72712	10	07	09	10.2%
72714	10	06	08	10.2%
72715	10	08	10	10.3%
72717	10	14	13	-4.8%
72718	10	11	12	5.0%
72719	10	07	09	10.2%
72721	10	12	12	0.0%
72722	10	07	09	10.2%
72727	10	11	12	5.0%
72728	10	09	11	10.3%
72729	10	14	14	0.0%
72730	10	11	11	0.0%
72732	10	12	12	0.0%
72733	10	12	12	0.0%
72734	10	10	12	10.3%
72735	10	10	11	5.0%
72736	10	08	10	10.3%
72737	10	11	11	0.0%
72738	10	12	12	0.0%
72739	10	08	10	10.3%
72740	10	13	13	0.0%
72741	10	10	11	5.0%
72742	10	14	13	-4.8%
72744	10	12	12	0.0%
72745	10	10	11	5.0%
72747	10	11	12	5.0%
72749	10	14	13	-4.8%
72751	10	08	10	10.3%
72752	10	14	13	-4.8%
72753	10	13	12	-4.7%
72756	10	11	11	0.0%
72758	10	10	11	5.0%
72760	10	09	11	10.3%
72761	10	11	11	0.0%
72762	10	09	11	10.3%
72764	10	09	11	10.3%
72765	10	09	11	10.3%
72766	10	09	11	10.3%

**Exhibit 10**  
**State Farm Fire and Casualty Company**  
**Arkansas Non-Tenant Homeowners**  
**Current and Revised Subzone Change by ZIP**

ZIP	Zone	Current Subzone	Revised Subzone	Subzone Change
72768	10	08	10	10.3%
72769	10	14	13	-4.8%
72770	10	09	11	10.3%
72773	10	12	12	0.0%
72774	10	12	12	0.0%
72776	10	13	14	5.0%
72801	30	09	08	-4.7%
72802	30	09	09	0.0%
72812	30	09	09	0.0%
72820	10	10	10	0.0%
72821	10	14	14	0.0%
72823	30	09	09	0.0%
72824	30	10	09	-4.8%
72826	10	13	13	0.0%
72827	30	14	12	-9.3%
72828	30	13	11	-9.3%
72829	30	08	09	5.0%
72830	30	09	09	0.0%
72832	30	09	09	0.0%
72833	30	12	10	-9.3%
72834	30	08	09	5.0%
72835	10	12	14	10.2%
72837	30	10	10	0.0%
72838	30	13	11	-9.3%
72839	30	11	11	0.0%
72840	30	11	10	-4.8%
72841	10	17	15	-9.3%
72842	30	11	09	-9.3%
72843	30	11	11	0.0%
72845	30	10	10	0.0%
72846	30	10	10	0.0%
72847	30	11	10	-4.8%
72851	10	15	14	-4.8%
72852	30	11	11	0.0%
72853	30	12	10	-9.3%
72854	30	11	10	-4.8%
72855	10	14	14	0.0%
72856	30	12	12	0.0%
72857	30	12	10	-9.3%
72858	30	10	10	0.0%
72860	30	14	12	-9.3%
72863	10	15	14	-4.8%
72865	10	15	14	-4.8%
72901	10	07	09	10.2%
72903	10	10	11	5.0%
72904	10	07	09	10.2%
72905	10	15	13	-9.3%
72906	10	10	11	5.0%
72908	10	10	11	5.0%
72913	10	10	11	5.0%

**Exhibit 10**  
**State Farm Fire and Casualty Company**  
**Arkansas Non-Tenant Homeowners**  
**Current and Revised Subzone Change by ZIP**

ZIP	Zone	Current Subzone	Revised Subzone	Subzone Change
72914	10	07	09	10.2%
72916	10	12	12	0.0%
72917	10	10	11	5.0%
72918	10	10	11	5.0%
72921	10	14	13	-4.8%
72923	10	11	12	5.0%
72924	10	10	10	0.0%
72926	10	15	14	-4.8%
72927	10	15	14	-4.8%
72928	10	15	14	-4.8%
72930	10	17	15	-9.3%
72932	10	12	12	0.0%
72933	10	15	14	-4.8%
72934	10	15	14	-4.8%
72935	10	14	13	-4.8%
72936	10	13	13	0.0%
72937	10	13	13	0.0%
72938	10	14	14	0.0%
72940	10	14	14	0.0%
72941	10	16	14	-9.3%
72943	10	16	14	-9.3%
72944	10	13	13	0.0%
72945	10	14	14	0.0%
72946	10	15	14	-4.8%
72947	10	13	13	0.0%
72948	10	15	13	-9.3%
72949	10	13	13	0.0%
72950	10	16	14	-9.3%
72951	10	14	14	0.0%
72952	10	12	12	0.0%
72955	10	12	12	0.0%
72956	10	12	12	0.0%
72957	10	12	12	0.0%
72958	10	14	14	0.0%
72959	10	14	13	-4.8%



**Exhibit 11A**  
**State Farm Fire and Casualty Company**  
**Arkansas Non-Tenant Homeowners**  
**Current Deductible Discounts**

Coverage A Amount	\$500*	\$1,000	\$2,000	\$2,500*	\$3,000*	\$4,000*	\$5,000	\$10,000	1/2% (\$1,000 min)	1% (\$1,000 min)	2%	3%	4%	5%
\$0 - \$7,499	0%	-11%	-22%	-24%	-28%	-34%	-40%	-45%	-12%	-12%	N/A	N/A	N/A	N/A
\$7,500 - \$14,999	0%	-10%	-20%	-23%	-26%	-33%	-38%	-43%	-12%	-12%	N/A	N/A	N/A	N/A
\$15,000 - \$24,999	0%	-10%	-19%	-22%	-24%	-30%	-37%	-43%	-12%	-12%	N/A	N/A	N/A	N/A
\$25,000 - \$34,999	0%	-10%	-19%	-22%	-24%	-29%	-33%	-43%	-12%	-12%	N/A	N/A	N/A	N/A
\$35,000 - \$44,999	0%	-10%	-19%	-22%	-24%	-27%	-31%	-43%	-12%	-12%	N/A	N/A	N/A	N/A
\$45,000 - \$49,999	0%	-10%	-19%	-22%	-24%	-27%	-31%	-43%	-12%	-12%	N/A	N/A	N/A	N/A
\$50,000 - \$64,999	0%	-10%	-19%	-22%	-24%	-27%	-30%	-43%	-12%	-12%	-13%	-18%	-22%	-25%
\$65,000 - \$74,999	0%	-10%	-19%	-22%	-24%	-27%	-30%	-43%	-12%	-12%	-15%	-21%	-26%	-29%
\$75,000 - \$84,999	0%	-10%	-19%	-22%	-24%	-27%	-30%	-43%	-12%	-12%	-17%	-22%	-26%	-29%
\$85,000 - \$99,999	0%	-10%	-19%	-22%	-24%	-27%	-30%	-42%	-12%	-12%	-19%	-24%	-28%	-31%
\$100,000 - \$104,999	0%	-10%	-19%	-22%	-24%	-27%	-30%	-40%	-12%	-12%	-19%	-25%	-30%	-33%
\$105,000 - \$114,999	0%	-10%	-19%	-22%	-24%	-27%	-30%	-40%	-12%	-14%	-21%	-27%	-32%	-35%
\$115,000 - \$124,999	0%	-10%	-18%	-21%	-23%	-27%	-30%	-39%	-12%	-14%	-22%	-27%	-32%	-35%
\$125,000 - \$134,999	0%	-10%	-18%	-21%	-23%	-27%	-30%	-38%	-12%	-16%	-24%	-29%	-33%	-36%
\$135,000 - \$144,999	0%	-10%	-18%	-21%	-23%	-27%	-30%	-36%	-12%	-17%	-25%	-30%	-34%	-37%
\$145,000 - \$154,999	0%	-10%	-18%	-21%	-23%	-27%	-30%	-36%	-12%	-17%	-25%	-30%	-34%	-37%
\$155,000 - \$164,999	0%	-10%	-18%	-21%	-23%	-27%	-30%	-35%	-12%	-18%	-26%	-31%	-35%	-38%
\$165,000 - \$174,999	0%	-10%	-18%	-20%	-23%	-27%	-30%	-35%	-12%	-19%	-27%	-32%	-36%	-39%
\$175,000 - \$184,999	0%	-10%	-18%	-20%	-23%	-27%	-30%	-35%	-12%	-20%	-28%	-33%	-37%	-40%
\$185,000 - \$194,999	0%	-10%	-18%	-20%	-23%	-27%	-30%	-35%	-12%	-21%	-29%	-34%	-38%	-41%
\$195,000 - \$204,999	0%	-10%	-18%	-20%	-23%	-27%	-30%	-35%	-14%	-21%	-29%	-34%	-38%	-41%
\$205,000 - \$214,999	0%	-10%	-18%	-20%	-23%	-27%	-30%	-35%	-15%	-22%	-29%	-35%	-40%	-43%
\$215,000 - \$224,999	0%	-10%	-18%	-20%	-22%	-27%	-30%	-35%	-15%	-22%	-30%	-35%	-40%	-43%
\$225,000 - \$234,999	0%	-10%	-18%	-20%	-22%	-27%	-29%	-35%	-16%	-22%	-30%	-35%	-40%	-43%
\$235,000 - \$244,999	0%	-10%	-18%	-20%	-22%	-26%	-29%	-35%	-17%	-22%	-31%	-35%	-40%	-43%
\$245,000 - \$274,999	0%	-10%	-18%	-20%	-22%	-26%	-28%	-35%	-17%	-22%	-31%	-35%	-40%	-43%
\$275,000 - \$324,999	0%	-10%	-18%	-20%	-22%	-26%	-28%	-35%	-19%	-25%	-33%	-37%	-40%	-43%
\$325,000 - \$374,999	0%	-10%	-18%	-20%	-22%	-26%	-28%	-35%	-20%	-27%	-34%	-38%	-41%	-44%
\$375,000 - \$424,999	0%	-10%	-18%	-20%	-22%	-26%	-28%	-35%	-21%	-27%	-35%	-39%	-42%	-45%
\$425,000 - \$474,999	0%	-9%	-18%	-20%	-22%	-25%	-27%	-35%	-22%	-28%	-35%	-39%	-42%	-45%
\$475,000 - \$524,999	0%	-8%	-18%	-20%	-22%	-25%	-27%	-35%	-23%	-28%	-35%	-40%	-44%	-47%
\$525,000 - \$574,999	0%	-7%	-18%	-20%	-22%	-25%	-27%	-33%	-24%	-29%	-36%	-41%	-45%	-48%
\$575,000 - \$624,999	0%	-7%	-18%	-20%	-22%	-25%	-27%	-33%	-24%	-30%	-36%	-41%	-45%	-48%
\$625,000 - \$674,999	0%	-7%	-17%	-20%	-22%	-25%	-27%	-33%	-25%	-30%	-36%	-41%	-45%	-48%
\$675,000 - \$724,999	0%	-5%	-15%	-19%	-21%	-25%	-26%	-32%	-25%	-31%	-37%	-42%	-46%	-49%
\$725,000 - \$750,000	0%	-5%	-15%	-19%	-21%	-24%	-26%	-32%	-25%	-31%	-37%	-42%	-46%	-49%
\$750,001 - \$781,499	0%	-5%	-15%	-19%	-21%	-24%	-26%	-32%	-25%	-31%	-37%	-42%	-46%	-49%
\$781,500 - \$843,999	0%	-5%	-15%	-18%	-20%	-23%	-26%	-31%	-26%	-32%	-37%	-42%	-46%	-49%
\$844,000 - \$906,499	0%	-5%	-13%	-17%	-19%	-23%	-25%	-31%	-26%	-32%	-38%	-42%	-46%	-49%
\$906,500 - \$968,999	0%	-5%	-13%	-16%	-19%	-23%	-25%	-31%	-27%	-32%	-38%	-43%	-47%	-50%
\$969,000 - \$1,062,499	0%	-4%	-12%	-15%	-18%	-22%	-24%	-31%	-27%	-33%	-38%	-43%	-47%	-50%
\$1,062,500 - \$1,187,499	0%	-4%	-12%	-14%	-16%	-21%	-24%	-30%	-27%	-34%	-39%	-44%	-48%	-51%
\$1,187,500 - \$1,312,499	0%	-4%	-12%	-14%	-15%	-20%	-23%	-29%	-27%	-34%	-39%	-44%	-48%	-51%
\$1,312,500 - \$1,437,499	0%	-3%	-11%	-13%	-14%	-19%	-21%	-28%	-28%	-34%	-39%	-44%	-48%	-51%
\$1,437,500 - \$1,562,499	0%	-3%	-10%	-12%	-14%	-17%	-21%	-28%	-28%	-34%	-39%	-44%	-48%	-51%
\$1,562,500 - \$1,687,499	0%	-3%	-9%	-12%	-13%	-16%	-19%	-28%	-28%	-34%	-39%	-44%	-48%	-51%
\$1,687,500 - \$1,812,499	0%	-3%	-8%	-11%	-13%	-15%	-19%	-28%	-28%	-34%	-40%	-44%	-48%	-51%
\$1,812,500 - \$1,937,499	0%	-3%	-8%	-11%	-12%	-15%	-18%	-28%	-28%	-34%	-40%	-44%	-48%	-51%
\$1,937,500 - \$2,124,999	0%	-2%	-7%	-10%	-11%	-15%	-17%	-27%	-28%	-34%	-40%	-44%	-48%	-51%
\$2,125,000 - \$2,374,999	0%	-2%	-7%	-10%	-11%	-14%	-17%	-25%	-28%	-34%	-40%	-44%	-48%	-51%
\$2,375,000 - \$2,749,999	0%	-2%	-7%	-9%	-10%	-14%	-16%	-24%	-29%	-34%	-40%	-44%	-48%	-51%
\$2,750,000 - \$3,249,999	0%	-2%	-6%	-9%	-10%	-13%	-15%	-22%	-29%	-34%	-40%	-44%	-48%	-51%
\$3,250,000 - \$3,749,999	0%	-1%	-6%	-9%	-12%	-14%	-14%	-21%	-29%	-34%	-40%	-44%	-48%	-51%
\$3,750,000 - \$4,249,999	0%	-1%	-6%	-7%	-8%	-11%	-13%	-20%	-29%	-34%	-40%	-44%	-48%	-51%
\$4,250,000 - \$4,749,999	0%	-1%	-5%	-6%	-7%	-10%	-13%	-19%	-29%	-35%	-41%	-45%	-48%	-51%
\$4,750,000+	0%	-1%	-5%	-6%	-7%	-10%	-12%	-18%	-29%	-35%	-41%	-45%	-48%	-51%

\* Available for Renewals Only

**Exhibit 11B**  
**State Farm Fire and Casualty Company**  
**Arkansas Non-Tenant Homeowners**  
**Revised Deductible Discounts**

Coverage A Amount	\$500*	\$1,000	\$2,000	\$2,500*	\$3,000*	\$4,000*	\$5,000	\$10,000	1/2% (\$1,000 min)	1% (\$1,000 min)	2%	3%	4%	5%
\$0 - \$7,499	0%	-10%	-20%	-21%	-24%	-31%	-37%	-42%	-12%	-12%	N/A	N/A	N/A	N/A
\$7,500 - \$14,999	0%	-10%	-20%	-21%	-22%	-30%	-35%	-40%	-12%	-12%	N/A	N/A	N/A	N/A
\$15,000 - \$24,999	0%	-10%	-19%	-21%	-22%	-26%	-34%	-40%	-12%	-12%	N/A	N/A	N/A	N/A
\$25,000 - \$34,999	0%	-10%	-19%	-21%	-22%	-25%	-30%	-40%	-12%	-12%	N/A	N/A	N/A	N/A
\$35,000 - \$44,999	0%	-10%	-19%	-21%	-22%	-25%	-29%	-40%	-12%	-12%	N/A	N/A	N/A	N/A
\$45,000 - \$49,999	0%	-10%	-19%	-21%	-22%	-25%	-29%	-40%	-12%	-12%	N/A	N/A	N/A	N/A
\$50,000 - \$64,999	0%	-10%	-19%	-21%	-22%	-25%	-29%	-40%	-12%	-12%	-12%	-18%	-22%	-26%
\$65,000 - \$74,999	0%	-10%	-18%	-21%	-22%	-25%	-29%	-40%	-12%	-12%	-14%	-21%	-25%	-28%
\$75,000 - \$84,999	0%	-10%	-18%	-21%	-22%	-25%	-29%	-40%	-12%	-12%	-16%	-22%	-26%	-29%
\$85,000 - \$99,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-39%	-12%	-12%	-17%	-23%	-28%	-31%
\$100,000 - \$104,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-37%	-12%	-12%	-19%	-24%	-29%	-31%
\$105,000 - \$114,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-37%	-12%	-13%	-20%	-26%	-30%	-33%
\$115,000 - \$124,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-36%	-12%	-14%	-21%	-27%	-31%	-34%
\$125,000 - \$134,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-36%	-12%	-15%	-22%	-28%	-32%	-35%
\$135,000 - \$144,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-36%	-12%	-16%	-23%	-29%	-33%	-35%
\$145,000 - \$154,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-36%	-12%	-17%	-24%	-30%	-34%	-36%
\$155,000 - \$164,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-36%	-12%	-18%	-25%	-30%	-34%	-37%
\$165,000 - \$174,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-36%	-12%	-19%	-25%	-31%	-35%	-37%
\$175,000 - \$184,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-36%	-12%	-19%	-26%	-32%	-35%	-38%
\$185,000 - \$194,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-36%	-12%	-20%	-26%	-33%	-36%	-39%
\$195,000 - \$204,999	0%	-10%	-18%	-20%	-21%	-25%	-29%	-36%	-13%	-21%	-27%	-33%	-37%	-39%
\$205,000 - \$214,999	0%	-10%	-18%	-20%	-21%	-25%	-28%	-36%	-13%	-21%	-28%	-34%	-37%	-41%
\$215,000 - \$224,999	0%	-10%	-18%	-20%	-21%	-25%	-28%	-36%	-14%	-22%	-28%	-34%	-38%	-41%
\$225,000 - \$234,999	0%	-10%	-18%	-20%	-21%	-25%	-28%	-36%	-15%	-22%	-29%	-34%	-38%	-41%
\$235,000 - \$244,999	0%	-10%	-18%	-20%	-21%	-25%	-28%	-36%	-15%	-23%	-29%	-35%	-38%	-41%
\$245,000 - \$274,999	0%	-10%	-18%	-20%	-21%	-25%	-28%	-36%	-16%	-24%	-30%	-35%	-39%	-41%
\$275,000 - \$324,999	0%	-10%	-18%	-20%	-21%	-25%	-28%	-36%	-18%	-25%	-31%	-37%	-40%	-43%
\$325,000 - \$374,999	0%	-9%	-18%	-20%	-21%	-25%	-28%	-35%	-19%	-26%	-32%	-38%	-41%	-43%
\$375,000 - \$424,999	0%	-9%	-18%	-20%	-21%	-25%	-28%	-35%	-20%	-28%	-33%	-38%	-42%	-44%
\$425,000 - \$474,999	0%	-8%	-18%	-20%	-21%	-25%	-28%	-34%	-21%	-29%	-34%	-39%	-43%	-45%
\$475,000 - \$524,999	0%	-7%	-17%	-20%	-21%	-25%	-28%	-33%	-22%	-29%	-35%	-40%	-43%	-45%
\$525,000 - \$574,999	0%	-7%	-16%	-19%	-20%	-25%	-27%	-33%	-23%	-30%	-35%	-40%	-44%	-46%
\$575,000 - \$624,999	0%	-6%	-15%	-18%	-19%	-24%	-27%	-32%	-23%	-30%	-35%	-40%	-44%	-46%
\$625,000 - \$674,999	0%	-6%	-15%	-17%	-18%	-24%	-26%	-31%	-23%	-30%	-36%	-41%	-44%	-46%
\$675,000 - \$724,999	0%	-5%	-14%	-17%	-17%	-24%	-26%	-31%	-24%	-31%	-36%	-41%	-44%	-47%
\$725,000 - \$750,000	0%	-5%	-13%	-16%	-17%	-23%	-25%	-31%	-24%	-31%	-36%	-41%	-44%	-47%
\$750,001 - \$781,499	0%	-5%	-13%	-16%	-17%	-23%	-25%	-31%	-24%	-31%	-36%	-41%	-44%	-47%
\$781,500 - \$843,999	0%	-5%	-12%	-16%	-17%	-22%	-25%	-31%	-24%	-31%	-37%	-41%	-45%	-47%
\$844,000 - \$906,499	0%	-4%	-12%	-14%	-15%	-21%	-24%	-31%	-24%	-31%	-37%	-41%	-45%	-47%
\$906,500 - \$968,999	0%	-4%	-12%	-14%	-15%	-21%	-24%	-31%	-25%	-32%	-37%	-42%	-45%	-48%
\$969,000 - \$1,062,499	0%	-3%	-10%	-14%	-15%	-20%	-23%	-30%	-25%	-32%	-37%	-42%	-45%	-48%
\$1,062,500 - \$1,187,499	0%	-3%	-9%	-12%	-13%	-18%	-21%	-29%	-25%	-32%	-37%	-43%	-46%	-49%
\$1,187,500 - \$1,312,499	0%	-3%	-8%	-11%	-12%	-18%	-20%	-29%	-25%	-32%	-37%	-43%	-46%	-49%
\$1,312,500 - \$1,437,499	0%	-2%	-7%	-10%	-11%	-16%	-19%	-27%	-25%	-32%	-37%	-43%	-46%	-49%
\$1,437,500 - \$1,562,499	0%	-2%	-7%	-9%	-10%	-16%	-18%	-27%	-26%	-32%	-38%	-43%	-46%	-49%
\$1,562,500 - \$1,687,499	0%	-2%	-7%	-9%	-10%	-14%	-18%	-26%	-26%	-32%	-38%	-43%	-46%	-49%
\$1,687,500 - \$1,812,499	0%	-2%	-6%	-8%	-9%	-14%	-16%	-26%	-26%	-32%	-38%	-43%	-46%	-49%
\$1,812,500 - \$1,937,499	0%	-1%	-5%	-7%	-8%	-13%	-16%	-25%	-26%	-32%	-38%	-43%	-46%	-49%
\$1,937,500 - \$2,124,999	0%	-1%	-5%	-7%	-8%	-11%	-15%	-24%	-26%	-32%	-38%	-43%	-46%	-49%
\$2,125,000 - \$2,374,999	0%	-1%	-5%	-6%	-7%	-11%	-13%	-23%	-26%	-33%	-38%	-43%	-46%	-49%
\$2,375,000 - \$2,749,999	0%	-1%	-4%	-5%	-5%	-10%	-12%	-21%	-26%	-33%	-38%	-43%	-46%	-49%
\$2,750,000 - \$3,249,999	0%	-1%	-3%	-5%	-5%	-9%	-11%	-19%	-26%	-33%	-38%	-43%	-46%	-49%
\$3,250,000 - \$3,749,999	0%	-1%	-3%	-4%	-5%	-8%	-10%	-17%	-27%	-33%	-39%	-43%	-47%	-49%
\$3,750,000 - \$4,249,999	0%	-1%	-3%	-4%	-5%	-7%	-9%	-16%	-27%	-33%	-39%	-43%	-47%	-49%
\$4,250,000 - \$4,749,999	0%	-1%	-3%	-4%	-5%	-5%	-9%	-15%	-27%	-33%	-39%	-43%	-47%	-49%
\$4,750,000+	0%	-1%	-2%	-3%	-4%	-5%	-8%	-14%	-27%	-33%	-39%	-43%	-47%	-49%

\* Available for Renewals Only

**Exhibit 12**  
**State Farm Fire and Casualty Company**  
**Arkansas Non-Tenant Homeowners**  
**Amount of Insurance**

<b>Amount</b>	<b>Current Relativities</b>	<b>Revised Relativities</b>
\$1	5.718	5.950
\$5,000	5.718	5.950
\$7,000	4.940	4.879
\$10,000	3.800	3.753
\$15,000	3.182	3.155
\$20,000	2.565	2.557
\$30,000	1.995	2.046
\$40,000	1.634	1.662
\$50,000	1.425	1.484
\$60,000	1.283	1.279
\$70,000	1.159	1.177
\$80,000	1.080	1.090
\$90,000	1.041	1.051
\$100,000	1.000	1.000
\$110,000	0.985	0.975
\$120,000	0.963	0.943
\$130,000	0.945	0.927
\$140,000	0.913	0.903
\$150,000	0.882	0.886
\$160,000	0.849	0.861
\$170,000	0.829	0.846
\$180,000	0.808	0.830
\$190,000	0.787	0.815
\$200,000	0.766	0.799
\$250,000	0.703	0.738
\$300,000	0.679	0.706
\$350,000	0.655	0.680
\$400,000	0.639	0.665
\$450,000	0.631	0.663
\$500,000	0.626	0.655
\$550,000	0.619	0.647
\$600,000	0.614	0.634
\$650,000	0.605	0.626
\$700,000	0.605	0.617
\$750,000	0.605	0.604
\$800,000	0.605	0.596
\$900,000	0.605	0.583
\$1,000,000	0.605	0.575
\$1,100,000	0.605	0.575
\$1,200,000	0.605	0.575
\$1,300,000	0.605	0.575
\$1,400,000	0.605	0.575
\$1,500,000	0.605	0.575
EA 1,000	0.613	0.583

**Exhibit 13**  
**State Farm Fire and Casualty Company**  
**Arkansas Tenant Homeowners**  
**Amount of Insurance**

<b>Renters</b>		
<b>Amount</b>	<b>Current Relativities</b>	<b>Revised Relativities</b>
\$1	5.400	5.500
\$2,000	5.400	5.500
\$4,000	3.600	3.780
\$6,000	2.700	2.835
\$8,000	2.200	2.310
\$10,000	1.900	1.995
\$12,000	1.700	1.785
\$14,000	1.500	1.575
\$16,000	1.370	1.438
\$18,000	1.270	1.333
\$20,000	1.200	1.260
\$22,000	1.150	1.207
\$24,000	1.100	1.150
\$26,000	1.060	1.080
\$28,000	1.030	1.030
\$30,000	1.000	1.000
\$35,000	0.930	0.930
\$40,000	0.870	0.860
\$45,000	0.830	0.800
\$50,000	0.800	0.760
\$55,000	0.780	0.741
\$60,000	0.760	0.722
\$65,000	0.740	0.703
\$70,000	0.720	0.684
\$75,000	0.700	0.665
\$80,000	0.680	0.646
\$85,000	0.670	0.637
\$90,000	0.660	0.627
\$95,000	0.650	0.618
\$100,000	0.640	0.608
\$125,000	0.600	0.570
\$150,000	0.570	0.542
\$175,000	0.550	0.523
\$200,000	0.530	0.504
\$225,000	0.510	0.485
\$250,000	0.500	0.475
\$275,000	0.490	0.466
\$300,000	0.480	0.456

EA 1,000	0.480	0.456
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<b>Condominium Unitowners</b>		
<b>Amount</b>	<b>Current Relativities</b>	<b>Revised Relativities</b>
\$1	5.400	5.500
\$2,000	5.400	5.500
\$4,000	3.600	3.780
\$6,000	2.700	2.835
\$8,000	2.200	2.310
\$10,000	1.900	1.995
\$12,000	1.700	1.785
\$14,000	1.500	1.575
\$16,000	1.370	1.438
\$18,000	1.270	1.333
\$20,000	1.200	1.260
\$22,000	1.150	1.207
\$24,000	1.100	1.150
\$26,000	1.060	1.080
\$28,000	1.030	1.030
\$30,000	1.000	1.000
\$35,000	0.930	0.930
\$40,000	0.870	0.860
\$45,000	0.830	0.800
\$50,000	0.800	0.760
\$55,000	0.780	0.741
\$60,000	0.760	0.722
\$65,000	0.740	0.703
\$70,000	0.720	0.684
\$75,000	0.700	0.665
\$80,000	0.680	0.646
\$85,000	0.670	0.637
\$90,000	0.660	0.627
\$95,000	0.650	0.618
\$100,000	0.640	0.608
\$125,000	0.600	0.570
\$150,000	0.570	0.542
\$175,000	0.550	0.523
\$200,000	0.530	0.504
\$225,000	0.510	0.485
\$250,000	0.500	0.475
\$275,000	0.490	0.466
\$300,000	0.480	0.456

EA 1,000	0.480	0.456
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## STATE FARM INSURANCE COMPANIES LOSS MITIGATION EXHIBIT - HOMEOWNERS PROGRAM

The State Farm Insurance Companies include loss prevention and control efforts as an integral part of our insurance operations. For our Homeowners Program those efforts include internal programs, public education activities, support of national organizations, and encouragement of stronger building codes. Examples of current efforts include:

### INTERNAL PROGRAMS

- **Arson and fraud investigation and prevention.** Programs include Special Investigative Units (or teams) in our home office and operation centers, education of claims handlers in fraud awareness, and built-in safeguards to assist in the detection of suspicious claims.
- **Dwelling surveys.** Most homes we insure are surveyed by the agent. Some are also surveyed by our underwriters or commercial inspection services. These surveys are intended to uncover potential loss problems as well as verify the accuracy of the rating factors used to determine the premium for the property. The surveys are not intended to verify the safety or security of any building or structure.
- **Premium Discount Program, which recognizes loss prevention and reduction devices.** Our Homeowners Program rating plan includes credits for burglar alarms and fire alarms, residential fire sprinklers, and other approaches to reduce loss. Homes we insure with impact resistant roofs receive a premium discount in participating states and provinces. State Farm also offers discounts to homeowners in some coastal areas for the use of shutters and other devices that hold the potential for reducing hurricane wind damage, which in some locations we include discounts for homes designated by the Institute for Business and Home Safety (IBHS) as meeting one of their *Fortified...for safer living®* designations.

### PUBLIC AWARENESS AND EDUCATION

- **Building and Home Safety Research** State Farm is a major contributor to the state-of-the-art Research Center run by the Insurance Institute for Business and Home Safety (IBHS) located in Richburg, SC. Member companies contributed over \$40M to construct and equip the facility and continue to invest in IBHS as they investigate a multitude of insurance related issues such as:
  - Demonstrate effectiveness and affordability of better-built structures
  - Foster public acceptance and consumer demand for better-built homes and other structures
  - Enhance property risk modeling
  - Provide a scientific basis for improving the quality of building products and components in practical applications
  - Provide credible ways to favorably inject loss prevention into broader public policy discussions (e.g. green/environmental issues)
  - Increase availability of reliable, affordable retrofit options for existing homes and businesses
  - Strengthen and improve residential building codes and land use policies
  - Create clear, scientifically sound benchmarks for disaster-resistant construction
  - Improve current product and system testing standards
  - Reduce commercial property losses (e.g., water intrusion and building envelope damage)
- **Customer Notice of Impending Storms** We are using outbound dialing technology to contact up to hundreds of thousands of customers with specific messages via telephone or email. The phone messages include emergency loss mitigation messages prior to an impending storm (Hurricane, Wildfire, etc). The email messages include general and seasonal loss mitigation messages.

**STATE FARM INSURANCE COMPANIES**  
**LOSS MITIGATION EXHIBIT - HOMEOWNERS PROGRAM**

- **Internet Information** A variety of loss prevention and home safety articles, videos, educational materials and brochures are available to the general public from our prevention and safety learning center on: [www.statefarm.com](http://www.statefarm.com). Categories include:
  - Detailed Articles About Home Safety & Damage Prevention
  - Safe at Home
  - Safe at Work
  - Safe on the Road
  - Child Safety
  - Natural Disasters
  - Other Related Links
- **Informational Brochures About Home Safety and Loss Prevention** Paper and electronic brochures and booklets are available to the general public on a variety of loss mitigation topics including: fire safety, crime prevention, electrical hazards, liability, wind/hail and roofing, water loss prevention, farm safety, home building, and boating safety. Many of these brochures are available in other languages.
- **Public Relations Materials on Frozen Pipes and Ice Dams** We conduct a national campaign that includes television ads, print ads, local education programs, videos, and posters on how to avoid frozen pipes, ice dams and subsequent water damage.
- **Fire Prevention Activities** We are a major sponsor of the Arson Dog Program. Since 1993, State Farm has provided scholarships for more than 250 handler and K-9 teams in fire departments, state fire marshal, and law enforcement agencies across the U.S. and Canada. The State Farm scholarship includes all training fees, acquisition of the dog, room and board during training, chemist's certification of the K-9 team, and transportation expenses to and from the training facility in Alfred, Maine. The teams return to their respective jurisdictions and investigate suspicious fires, regardless of the property insurer. We are also a major participant in fire prevention week activities, with contributions varying from year to year.
- **Fire Safety** We have developed a public service announcement video "Fire: The Unforgiving Nature" which includes dramatic and disastrous fire events, prevention and safety messages. We serve on the Board of Directors of the Home Fire Sprinkler Coalition. This is the leading organization that develops and delivers training and education to consumers, government, builders and insurers regarding the effectiveness of residential fire sprinklers. State Farm is the first insurance company on the HFSC Board.
- **Hail Media Campaign** We are distributing information about impact resistant roofing materials to policyholders in hail-prone areas and to customers who have suffered a roof loss, as well as to others for general education.
- **Informational Video About Impact Resistant Roofing Materials** A short video has been produced featuring the performance of impact resistant roofing products. The video will be available for use by Institute for Business and Home Safety members.
- **Safe use of Wood-burning Stoves** We have developed videos, brochures, public service spots and policyholder communication pieces dealing with the safe installation and maintenance of wood-burning stoves.
- **Tornado Safety** We have developed two videos, including the Emmy award winning "Tornado: Surviving the Fury", and "Tornado: Plan to Survive", and educational materials for grade schools on tornado safety.

**STATE FARM INSURANCE COMPANIES  
LOSS MITIGATION EXHIBIT - HOMEOWNERS PROGRAM**

- **Hurricane Safety** We are a sponsor for StormStruck: A Tale of Two Homes™. This is an interactive weather experience at INNOVENTIONS at Epcot® at the Walt Disney World® Resort. StormStruck is designed to help visitors learn their risks for natural disasters, understand their property-protection and safety options, and take action to protect families and homes.
- **Earthquake Safety** State Farm is a member of the UCSD Englekirk Center Board of Advisors. UCSD develops cost effective construction systems. State Farm is the first insurance company represented on the Board.
- **Loss Prevention Display Panels** These displays have been exhibited at multiple trade shows and conferences. They demonstrate home safety and loss reduction features that can be incorporated into new or existing structures.
- **Dog Bite Prevention Program** This is an educational campaign introduced in partnership with the American Veterinary Medical Association. The campaign includes a puppet show and activity/coloring booklet for children and an informational brochure.
- **Building Codes and Standards** We support the adoption and enforcement of statewide building codes to ensure minimum building safety standards. Technical representatives participate in a variety of standards development processes related to safety issues such as electrical, roofing, wind-resistant construction, building performance, and fire.
- **Post-Catastrophe Field Research** State Farm participates in post-event (hurricanes, earthquakes, and hailstorms) surveys partnering with universities, scientists, construction industry, building designers, and the insurance industry. The investigators collect data and conduct assessments that lead to better understanding of building failures, which translates to better building materials, appropriate design, and stronger building codes.
- **Technology Research and Innovation Laboratory (TRAIL)** State Farm associates located at the lab provide insight regarding building materials, systems, codes, technology, losses, and data analysis to support enterprise-wide business initiatives. This work includes proactive research into cause of losses, product and process overviews, and evaluations aimed at developing new prevention measures which help customers reduce or eliminate losses.

**SUPPORT OF NATIONAL ORGANIZATIONS**

- American Institute of Architects (AIA)
- American Red Cross
- American Society of Plumbing Engineers (ASPE)
- American Society of Heating, Refrigeration, and Air-conditioning Engineers (ASHRAE)
- American Society of Testing and Materials (ASTM International)
- Asphalt Roof Manufacturers Association (ARMA)
- Coalition Against Insurance Fraud
- Earthquake Engineering Research Institute (EERI)
- Electrical Safety Foundation (ESFi)
- FM Approvals, LLC
- Federal Alliance for Safe Homes (FLASH)
- Federal Emergency Management Agency (FEMA)
- Florida Coastal Monitoring Program (portable wind towers)
- Habitat for Humanity
- Home Fire Sprinkler Coalition
- Insurance Institute for Business and Home Safety (IBHS) – founding member
- Insurance Committee for Arson Control (ICAC) – founding member
- International Association of Fire Chiefs (IAFC)

**STATE FARM INSURANCE COMPANIES  
LOSS MITIGATION EXHIBIT - HOMEOWNERS PROGRAM**

- International Association of Special Investigative Units (IASIU)
- International Code Council Foundation (ICCF)
- National Association of Home Builders (NAHB)
- National Consortium of Housing Research Centers
- National Fallen Firefighters Foundation (NFFF)
- National Fire Protection Association (NFPA)
- National Insurance Crime Bureau (NICB)
- National Insurance Task Force (NITF)
- National Roofing Contractors Association (NRCA)
- Property Casualty Insurers Association of America (PCI)
- Property and Liability Resource Bureau (PLRB)
- Roof Consultants Institute (RCI, Inc.)
- Roofing Industry Committee on Weather Issues (RICOWI)
- Texas Tech University Portable Wind Tower Program
- The Underwriters Laboratories, Inc. (UL)
- University of California San Diego Englekirk Center
- Western States Roofing Contractors Association (WSRCA)



We are providing additional information regarding our Homeowners filing in response to the objection letter dated 9/17/2014.

### **Objection 1**

#### **Please provide the loss experience used to analyze and determine subzone changes.**

In response to the Commissioner's opposition of the GRID/Location Rating territory rating structure, we are planning to maintain our current Zone/Subzone territory rating structure. However, the indicated subzone assignments have incorporated the Location Rating data analysis described in our previous Homeowners filing, originally filed on 6/5/13. Please reference the 6/27/13 confidential and non-confidential inquiry responses and the 7/31/13 inquiry response for a detailed description of the Location Rating loss experience.

The indicated subzone assignments for each ZIP code are based on an exposure weighted average of indicated Location Rating Factors by ZIP code. In this way we can incorporate the benefits of the Location Rating methodology, such as the fire protection information mentioned in the filing memorandum, while still maintaining the Zone/Subzone rating structure. Utilizing this additional information under the current Zone/Subzone structure will help better match price to risk without impacting our level of territory rating segmentation.

The revised subzone assignments were limited to minimize the rate impact for individual policyholders. Therefore, the selected subzone assignments may differ from the indicated assignments to reflect those limitations. Please see Exhibit 10 of the filing for the current and revised subzone changes by ZIP code.

### **Objection 2**

#### **Please indicate the deductible amount required for new business.**

For Non-Tenant Homeowners, new business that qualifies for the Home/Auto Discount is subject to a minimum \$1,000 deductible. New business that does not qualify for the Home/Auto Discount is subject to a minimum \$2,000 deductible. For Renters and Condominium Unitowners, new business is subject to a minimum \$500 deductible.

### **Objection 3**

#### **Please provide the number of insureds receiving the 24.2% maximum increase.**

Only one policyholder is receiving the 24.2% maximum increase. Policyholders that will experience the largest rate changes reside in the ZIP codes receiving the largest subzone changes and are also impacted by increased amount of insurance, deductible, construction, and/or utilities rating plan factors.